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/12223

IMPLEMENTATION OF LUXEMBOURG RESOLUTION DISCUSSED

Lagos BUSINESS TIMES in English 1 Dec 86 p 5

[Text]

THE International Transport Workers Federation (ITWF) and the government of Sierra Leone are to hold a joint seminar in Freetown for road transport workers in Africa from December 1 to December 14, 1986.

Participants will be drawn from road transport trade unions in Africa. Announcing this in Lagos last week, the Africa Regional Representative of the ITWF, Mr. Ben Roxy Udogwu, said the seminar would discuss the role of road transport workers in Africa in the enforcement of sanctions against the racist regime in South Africa.

Mr. Udogwu had made a brief stop-over in Lagos on his way to Accra, Ghana, in continuation of his tour of African countries to brief African workers on the strategic programme of the ITWF to implement anti-apartheid resolutions adopted at the 35th congress of the ITWF held in Luxembourg in August, this year.

At the Luxemburg congress, Mr. Udogwu with the backing of other delegates from Africa, secured the support of the ITWF in taking a decision to enforce sanctions against South Africa including an embargo on the shipment of oil and arms to the racists.

The Luxemburg resolution also decided to set up anti-apartheid fund to provide financial and material assistance to victims of apartheid in South Africa especially the trade union leaders and their members — many times persecuted and detained.

On his return to Nairobi, Kenya, where he is based, Mr. Udogwu began a tour of African countries to acquaint African transport workers on the Luxemburg resolution and discuss the role they would be expected to play in the enforcement of anti-apartheid sanctions.

Mr. Udogwu said the decision to hold the road transport workers seminar in Freetown Sierra Leone, was based on the fact that the government of that

country had taken the initiative to host the seminar as the contributions of Sierra Leone to the struggle against apartheid.

A veteran Nigerian labour leader with a vast experience in the intricacies of international trade union movement, Mr. Udogwu praised the Nigerian Government of General Ibrahim Babangida for being in the vanguard in the struggle against apartheid in South Africa.

Mr. Udogwu said as a Nigerian, he was always proud to recall the courageous role played by Nigeria in the boycott of Commonwealth Games in Edinburgh in protests against the refusal of Britain to support sanctions against South Africa.

He said to make the anti-apartheid stand of Nigeria more practical and meaningful, it was important for Nigerian workers to be involved in the enforcement of sanctions.

Mr. Udogwu emphasised that the struggle against apartheid in South Africa

was primarily an African problem requiring total dedication and commitment of all Africans to secure black majority rule in South Africa.

He said it would be a tragedy if workers in Europe, Asia, Latin America and the United States join the ITWF in the enforcement of sanctions against the racist regime while African workers, the real owners of the apartheid war relaxed in their homes. Mr. Udogwu praised the Government and labour movement of Sierra Leone for deciding to host the seminar for road transport workers in Africa.

He expressed the hope that Nigeria, already playing an effective role in the struggle against apartheid in South Africa, would continue to play this leading role for other African countries to follow.

In answer to a question, Mr. Udogwu said he was prepared to hold discussions with the Nigerian committee

against apartheid or any other agency of Nigerian Government to brief them on the programme of the ITWF to enforce sanctions against apartheid South Africa.

Mr. Udogwu however expected an invitation for such discussions to come from Nigeria to avoid an impression being created that the ITWF was forcing itself on any country.

He said since the ITWF and Nigeria shared the same anti-apartheid platform and were firm believers in democracy and fundamental human rights, there was no problem in the ITWF working together with the Nigerian Government and the Nigerian labour movement in the struggle against apartheid.

Mr. Udogwu reiterated that the international transport workers federation with a membership of more than six million transport workers in Europe, United States, Asia, Latin America and Africa had the effective machinery and capacity to enforce sanctions against South Africa and bring down apartheid administration.

CSO: 3400/725
/9317

PORTUGUESE SETTLEMENT IN HUILA DESCRIBED

Lisbon AFRICA HOJE in Portuguese Apr 86 p 9

[Article by Jorge Heitor: "Portuguese in Huila"]

[Text] In spite of the danger of the near-by South African war, some 3,000 Portuguese have remained in the temperate areas on the Huila Plateau in southern Angola and are completely integrated into the new Angolan social life.

I went back to the Huila highlands in southern Angola to find the descendants of the Portuguese who settled there some 90 years ago.

In the highlands 1,000 km south of Luanda, some 3,000 Portuguese are carrying on a tradition that was not greatly disrupted by the advent of Angolan independence in 1975.

Having an altitude of about 1,900 meters, these highland areas have been compared in general appearance with southern Chile. I concentrated most of my time at Maximino Borges' Jamba Farming Corporation.

A robust Portuguese 91 years old who has lived here since 1937, Maximino owns this land near the city of Lubango (formerly Sa da Bandeira) and another much larger 25,000-hectare spread in Chimbolela, 108 km southeast of the city.

Just as all rules have exceptions and truth is a complex matter, life in Lubango is quite peaceful in spite of the war situation being experienced in many other parts of Angola, including southern areas of Huila Province itself.

At the Borges family's Jamba ("jamba" means "elephant"), one of the many farms in southern Angola of the same name, there are lofty eucalyptus trees, pigs and calves, fields of sweet potatoes and strawberries, and orchards of pear, apple, and quince trees.

Adapting to the new times, the BORGES (four generations now live on the property) gave 1,000 hectares to their 200 hands and directly manage the remaining 500 hectares, where they keep 300 head of cattle.

The land is very well managed and the produce is normally sold to state companies. The family has no complaints about their life here.

Jaime Borges, a grandson of the owner of Jamba and my guide during my visit to the estate, was born in Huambo when it was still known as Nova Lisboa. In his late teens, he attended an agricultural school in Santarem in Portugal and can now assure the family's continued presence on this land.

On the property there is a Boer cemetery dating from the early 1900's, a relic from the past, with common South African names like Botha and Du Plessis on the grave markers.

As a matter of fact, in the latter half of the last century, the Boers tried to settle not only Namibia, but also southern Angola. However, when the Portuguese founded Sa da Bandeira in the early 1900's, the Boers began to withdraw.

Thus it was that Maximino Borges was able to claim the land where he now raises pigs on cattle dung and has 5,000 head of cattle in Chimbolela.

In addition to the Borgeses, 3,000 more Portuguese live in this temperate area. They have asked the Lisbon government to open a consulate in Lubango, as was done in Luanda and Benguela.

8844

CSO: 3442/48

BRIEFS

MALAWI'S EXPLANATION CALLED 'INSUFFICIENT'--The Angolan government called Malawi's explanation of last week's incident insufficient, in which Malawi government officials denied permission for an Angolan aircraft carrying Pedro Maria Tonha (Pedale), Angolan defense minister, to enter its air space. According to a communique issued by the Angolan embassy in Lusaka, Zambia, the Malawi government was asked whether special permission was necessary for other SADCC countries to enter its air space. So far, the only explanation offered by Malawi was that the Angolan plane was denied permission to enter Malawi air space because Malawian President for Life Hastings Kamuzu Banda was visiting the countryside. The Angolan government rejected this explanation and demanded a clarification on the requirements for entering Malawi's air space, since the lives of the officials on board the plane were endangered by having to turn back in mid-flight with insufficient fuel. The incident occurred as the Angolan minister was travelling to Dar-es-Salaam, the capital of Tanzania, where he was to have met with the Front Line countries' ministers of defense and security. The statement went on to assert that luckily, the plane was able to turn back with assistance from the Zambian Air Force. [Text] [Maputo NOTICIAS in Portuguese 29 Nov 86 p 1] 8844

CSO: 3442/48

POWER STRUGGLE WITHIN TOP LEADERSHIP ALLEGED

Paris INDIAN OCEAN NEWSLETTER in English 6 Dec 86 p 5

[Text] Serious incidents involving members of the Ethiopian leadership broke out at a meeting on November 22 of the top officials in the Dergue military council and the Ethiopian Workers' Party, according to as yet incomplete reports reaching The Indian Ocean Newsletter. It appears that the head of state, Colonel Mengistu Haile Mariam, had a violent confrontation with two other influential figures, Alemu Abebe and Legesse Asfaw, who are both considered to be close to the Soviet Union. There are different rumours as to what has become of them: the former is said to have been wounded during the dispute, while the latter took refuge in the Soviet embassy, but was later arrested.

None of the state's top leaders, apart from the regime's second-ranking official, Fikre Selassie Wogderes, appeared in the press or on television for several days, until Colonel Mengistu welcomed heads of state and government arriving for the summit of the regional Preferential Trade Area which opened in Addis Ababa on December 3.

The question of the distribution of responsibilities in the future state once the constitution which makes Ethiopia a "people's democratic republic" is implemented, seems to be at the root of the conflict. Several leading figures have recently wanted to see a reduction in the powers of Colonel Mengistu while the continuation or limitation of Shoan influence on the machinery of state also seems to be a subject of an intense power struggle. The physical elimination a few years ago of such Dergue members as Teferi Bante and Atnafu Abate indicates that Colonel Mengistu will not tolerate any questioning of his prerogatives such as, for instance, the attribution of the post of EWP secretary-general to another member of the party's politbureau. In our September 27 issue (ION No 249) we reported that two prominent figures, Alemu Abebe and Shimeles Mengezia, aspired to higher office.

On November 29 the Dergue (the Provisional Military Administrative Council) announced the formation of a commission to organise the referendum on the constitution which was announced last September. No date has yet been announced for the holding of this poll. For several weeks analysts have been surprised at the silence surrounding the new basic law and the referendum. Meanwhile a confidential circular of the EWP relating to the criteria

for membership of the nomination committees for candidates to the new parliament stipulates that any former or current member of an opposition movement will be excluded. The circular was made public by the Tigray People's Liberation Front.

Finally, the recent resignation and defection of Goshu Wolde, the foreign minister since replaced by Berhanu Bayeh has given rise to a purge in the administration. At least 17 senior civil servants are reported to have been arrested.

CSO: 3400/724
/9317

RENOVATION OF KEBELE 13 SLUM DESCRIBED

Harare THE HERALD in English 19 Dec 86 p 4

[Text] Addis Ababa--If a slum may be described as an overcrowded neighbourhood where the houses and living conditions are squalid and depressing, then Kebele 13 qualifies as one or it did until recently.

In 1983 close to 3 000 Ethiopians lived on top of each other in 538 broken-down houses in this five-hectare district of Addis Ababa.

Sewage and sanitation conditions were deplorable, most kitchens in a dreadful state. More than 1 000 of Kebele 13's inhabitants were children under 15. There were almost no creches, kindergartens and primary schools. There were almost twice as many women as men and a large number of the women were unwed mothers. No one had any knowledge of family planning.

That was the situation three years ago. It has changed radically. Kebele 13 still has its hovels and unpaved roads, but among them are bright-coloured, clean, new and renovated houses. There is visible progress and an air of expectation.

What happened? It began when Redd Barna, the Norwegian Save the Children Organisation, decided to fund a five-year (mid-1983 to mid-1988) project of integrated slum upgrading. Kebele 13 is being made livable for, and largely by, its slum dwellers. Redd Barna agreed to contribute almost US\$2 million and the Addis Ababa Council would help as best it could, materially and technically.

As for the desperately poor people of Kebele 13, they threw themselves enthusiastically into the task of "upgrading" their depressed neighbourhood.

"Integrated slum upgrading" is a mouthful that does not just mean knocking down or repairing insalubrious mud, straw and wood dwellings.

It also involves condemning dangerous latrines and constructing new ones, placing garbage bins and barrels in strategic spots around the neighbourhood and educating people to use them, teaching trades and creating co-operatives, building pre-school centres, and elementary schools, vaccinating pregnant

women against tetanus, immunising children against six childhood diseases, developing primary health care, organising athletic and cultural activities in the Kebele, and finding jobs for people.

What integrated slum upgrading comes down to is changing people's physical environment and their way of life and giving them hope.

The Kebele 13 slum committee, of which representatives of Redd Barna, Unicef and the Addis Ababa City Council were members, first did an inventory of housing, sewage and sanitation.

Of the 538 houses in Kebele 13, 124 were condemned outright, 195 required major repairs, 177 minor repairs, and only 42 were judged acceptable.

But houses cannot be demolished until their tenants have somewhere decent to go. Last year, 54 two-storey houses were constructed to lodge 322 people, while 22 slum dwellings underwent major repairs to make them livable for 117 other Kebele residents. Virtually all of the minor repairs were completed in 1984, enabling 782 persons to live more decently and comfortably, albeit quite simply.

So, in the past two years almost half of Kebele 13--1 250 persons--were better housed. This year another 50 two-storey houses are planned, along with major repairs to another 60. This will take care of 560 residents leaving about 1 000 still living in awful conditions. By the end of next year, half of this remaining thousand will be living in new or repaired housing.

Slower progress has been made in improving sanitation and kitchen facilities.

The most striking advances in 1985 were in the medical care of children. A first aid post was converted into a primary health care centre where almost every child under two was immunised against measles, diphtheria, whooping cough, tetanus, polio and tuberculosis. Those who were not will be this year. Every girl and boy under 14 got a medical check-up.

All pregnant mothers were vaccinated against tetanus. Some 240 mothers completed a course on family planning, and efforts will be made this year to reach all other mothers and young girls as well as men. Forty mothers finished a nutrition class.

Another success in 1985 was the construction of a pre-school centre for 200 infants. With Unicef funding, four teachers were trained. Unicef has also helped a workshop where 11 young women have learned to produce play and educational materials.

"The constantly growing numbers of pre-school children in Addis Ababa day care centres makes it important to obtain large quantities of these materials," point out Ms R. Padmini, Unicef representative in Ethiopia.

The Kebele 13 Committee last year opened, on a co-operative basis, a butcher shop, a grain mill, a restaurant, and an "injira" (pancake) electric bakery where women can make their own injira inexpensively and hygienically.

The committee trained 40 mothers in domestic activities (food preparation, nutritious cooking, handling of household electrical appliances, etc), sewing clothes and knitting sweaters. These training activities will be expanded this year to include classes, essentially for youth, in electricity, masonry, plumbing and driving. Mothers who learn to sew and knit will be organised in a co-operative. So will needy women who grow vegetables and raise sheep.

Kebele 13 is a beehive of activity with men and women of all ages clearing building sites, fixing fences, emptying latrines, making school benches, in short, demolishing and re-building. The people of Kebele 13 are not sitting around waiting to have their lot improved by donor organisations. They have taken their fate into their own hands.--Ziana-Pana.

CSO: 3400/725
/9317

IVORY COAST

BRIEFS

BARCLAYS BANK AGREEMENT SIGNED--Great Britain's Barclays Bank has just granted a line of credit for about 5.557 billion CFA francs to Ivory Coast guaranteed by the ECVD. The loan agreement was signed late this morning, Tuesday, 30 December, at the Ministry of Economy and Finance by Leon Naka, the director general of the Autonomous Sinking Fund, and Mr Lanson, the director general of Barclays Bank in Ivory Coast, in the presence of Finance Minister Abdoulaye Kone, and Peter Shedler, first secretary and consul of the British Embassy, representing the British ambassador to Ivory Coast. [Excerpt] [Abidjan Domestic Service in French 1930 GMT 30 Dec 86] /9604

CSO: 3400/710

LIBERIA

BRIEFS

OFFICIALS PROBED FOR ELECTION FRAUD--Monrovia, 29 Dec (AFP)--The Liberian authorities are investigating allegations of vote fraud during the 20 December by-elections against a total of six officials, three of them members of parliament, the Elections Commission said here on Monday [29 December]. Commission Chairman Isaac Randolph identified the six as Senator Lawson Draper, Representatives Peter Nyenswah and William Jabbah, and three other officials, all of whom come from Sinoe County in the east of the country. Mr Randolph said the officials were accused of voting several times without registration cards, and harassing supporters of independent candidates during the polls. The report brought to 10 the number of persons accused of election fraud since the polls for seven legislative seats and 38 mayoral posts 9 days ago. Four opposition parties boycotted the elections, charging that they could not be held fairly. Representatives of President Samuel Doe's ruling National Democratic Party of Liberia and a handful of independent candidates were the only ones who took part in the elections. [Text] [Paris AFP in English 1433 GMT 29 Dec 86] /9604

CSO: 3400/710

SOBER POLITICAL STYLE OF PRESIDENT CHISSANO ANALYZED

Effect on Political Scene

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Dec 86 p 13

[Article by Augusto de Carvalho]

[Text] The outlines of a new style in the handling of political affairs are beginning to come clear in Mozambique. It is the Chissano style, sober in words and restrained as to the emotions, which nonetheless exist.

A Western ambassador told the NP agency that the long service of the current president of the People's Republic of Mozambique at the head of the Ministry of Foreign Affairs, where he was in contact with the widest variety of diplomatic styles, has contributed to the flexibility and subtlety which are the distinguishing characteristics of his personality.

Joaquim Chissano, unlike Samora Machel, is not a performer. He visibly reigns in his emotions, and he gives the appearance of being a cerebral man whose discourse is woven from the threads of logic.

However, we saw him dissolved in tears at the funeral ceremonies for Samora Machel and grieving as he accompanied the wives of Aquino de Braganca, Alcantara Santos and the other comrades on the day the bodies of their husbands were laid to rest.

He speaks softly, does not present a striking appearance, and seems to be trying to pass unnoticed, but his intimates say that he is a determined man and attentive to details.

In political speeches he uses a formula which says more than it appears to.

At his first press conference, held in Maputo on Thursday, he began by praising domestic and foreign journalists, who, he said, were responsible for "the great interest the cause of Mozambique has awakened in the world today."

He responded in Portuguese and English, depending on the language in which the questions were asked.

To date he has given an impression of a broadly open policy, seeking cooperation with other countries, without regard to their regimes, with concern solely for what contributes most to the interests of Mozambique.

At the end of the press conference, the general consensus among the approximately 70 journalists present, the majority of them foreigners, was that Chissano had said nothing new.

Later, it was the unanimous opinion of a group of these newsmen that the conference had after all provided indications concerning the future, and had above all established a new style of pursuing politics.

Chissano said that in the near future answers to many questions will be needed, "because the process is under way," and he warned the people of Mozambique that they must expect a period of harsh sacrifice.

Varied Cooperation

In such delicate areas as the military sector, Chissano made himself clear, stating that there is no space reserved for any given country in the realm of cooperation.

Although the Soviet presence is still important in this sector, Joaquim Chissano made it clear that military cooperation is available to all countries.

He indicated that it is not the desires of the two great superpowers which define the interests of Mozambique.

On the subject of the RENAMO, he denied that negotiation is possible.

"I do not know what the RENAMO is. I do know what terrorism is." He admitted that "terrorism" is active in every country, but does not occupy territory.

"There can be terrorism without occupation," he stated.

Chissano made it clear that in his view, the RENAMO, a term he does not acknowledge, is state terrorism practiced by the South African regime with two principle objectives: to perpetuate the apartheid regime, demonstrating that antiracial societies such as that in Mozambique are impossible, and on the other hand, ensuring that the countries in the southern part of Africa are forced to channel their goods through South African ports, in which connection it is necessary to render the ports of Mozambique inoperative.

Relations with Malawi

On the subject of Malawi, with which Mozambican relations became very tense in the final weeks of President Samora Machel's life, Chissano tried to lower the level of emotion. "It is not of interest to us to know whether Malawi aids the armed bandits or not. What is of interest to us is whether Malawi is prepared to prevent terrorists from using its territory to attack Mozambique." Joaquim Chissano said that only thus can Malawi contribute to the development

of the countries in the region, since Mozambique, with its ports, railroads and highways (rendered inoperative by the RENAMO), is vital to the progress of the peoples in the interior, beginning with Malawi itself.

There were no threats of war, as had been habitual.

On the subject of the Nkomati Accord, he was categorical. "If we were to end the Nkomati Accord today, we would have no way of forcing South Africa to adhere to it, because the Accord would simply not exist."

He said that Mozambique "supports the struggle of the South African people led by the ANC and the other democratic organizations," but that it will not, as dictated by the Nkomati Accord, serve as a base for the launching of attacks against the Republic of South Africa.

"We can only offer South Africa peace and good neighborly relations. We will not surrender our sovereignty and independence to it," he said.

Style Described

Lisbon DIARIO DE NOTICIAS in Portuguese 2 Dec 86 p 26

[Editorial]

[Text] The new president of the Republic of Mozambique, Joaquim Chissano, revealed undeniable astuteness in an interview (the first since he became head of state) granted to a Harare newspaper. On the one hand, he admitted that relations between Mozambique and Zimbabwe have become closer, but he did not stop there. He put forth the possibility that these links may develop into a confederation. On the other hand, he announced a military campaign against the rebels, an operation which is essential within the framework of the efforts which, he gave assurance, will be pursued with a view to the economic rehabilitation of the country.

Faced with a South Africa which is persisting in a rigid and backward policy, Samora Machel's successor is turning openly to a neighbor which is deeply sensitive to Maputo's difficulties, with a view to a broad relationship involving not only the economic cooperation which is so important, but also relations (equally important) in the realms of culture, education and political identification. He provided an overall view of what, in order to serve Mozambique's interests, it is important to do in the short run, and what in terms of foreign image will work toward greater solidity for the country in its direct attack on the serious problems facing it.

In addition to this, Chissano is talking with another neighbor, Malawi, whose policy is nothing like that of Maputo, but which now gives assurance that it is not prepared to support any group devoted to destabilizing the Mozambican nation. An envoy representing President Banda formally denied any involvement on the part of his country in the "South African aggression." In this connection, the Mozambican president, who did not fail to note that the problems between the two countries are ancient ones, confirmed again that he wants to continue the efforts with a view to eliminating "everything which

could divide us." But for this to be achieved, he warned, Malawi will have to go beyond mere statements that it does not support the RENAMO, and must express in deeds its real will to contribute to the reestablishment of safe conditions in the region. Finally, Chissano promised continuing fidelity to the Nkomati Accord, depending on continued support of it by the South African authorities.

Thus the new president seems to be relying on moderation and pragmatism, without excluding firmness, that is to say perpetuation of the "spirit of Machel." But because he does not have his predecessor's charisma, he shows a tendency (toward which he may also be pushed by the balance of forces within the FRELIMO) to push teamwork and organizational tasks farther. Rebuilding with a greater concern for technical exigency appears to be his main venture, to which he will certainly add still more active and refined diplomacy, if possible, among other things because in recent years he has revealed himself to be an extremely skillful diplomat with undeniable international prestige.

After setting forth a self-portrait as a "gentle lamb," with his fine sense of humor, the president has done everything to date to make it very clear that he wants to pursue a policy of continuity when it comes to political practice, based however, beginning now, on planning which will perhaps be more careful and all-encompassing. Much of what was intuitive in Machel will likely be, in the future, the result of an institutionalized process of careful situation analysis. This is what can be inferred from the statements of the president, who places the economy and culture on the same level (and this is a step forward), while he discusses relations among neighboring countries in calm, concise and accurate language in the manner of a mathematical equation.

Obviously this framework does not in itself guarantee that the internal and external difficulties can be overcome, far from it. These are facts which are seemingly very positive, and which the political developments in that zone of Southern Africa may or may not confirm.

As to the strengthening of the links with Zimbabwe and future progress in the relations with Malawi, these are aspects which are without a doubt important and capable of strengthening the struggle against South African "aggression." But they are obviously insufficient to slow the threat significantly. Much broader areas are involved.

5157

CSO:3442/49

OUTSIDE FORCES SEEN AS RUINING NATION'S CHANCES OF RECOVERY

Cape Town LEADERSHIP in English Vol 5, 1986 No 6 pp 38-42

[Article by Dr Annette Seegers, lecturer in Department of Political Studies, University of Cape Town]

[Text]

The death in an aircraft accident in South Africa of President Samora Machel has thrust Mozambique to the forefront of Southern African politics. As the impassioned charges and countercharges suggest, the issue is not simply about what or who causes aircraft disasters, but more fundamentally concerns the causes of the appalling conditions prevailing within Mozambique, and the effects these have on neighbouring states.

In his epic, *Os Lusitades*, the Portuguese poet, Luis de Camoens, had written of a place the Portuguese seized as a stamping ground, where it was good a "little here to bide, and take the sweet refreshment of the land". But in 1986, there seems to be little pleasantness attached to experiences in Mozambique.

President Chissano inherits a country not short on evidence of disaster: economically, Mozambique remains in the grip of a severe drought, the effects of which have been compounded by a cyclone, banditry, Frelimo's agricultural policies, the destruction of infrastructure and accompanying guerrilla war. Approximately 90% of Mozambique's 13.1m people live in the countryside and here death stalks the land in the form of famine and attacks by bandits and guerrillas. Life in the cities offers only partial escape as here, too, there are chronic shortages of basic foodstuffs. And the guerrillas seem to be everywhere, striking at towns in the remote areas of the interior as easily as in major cities like Beira and Maputo.

Whether President Chissano can solve the problems posed by the acute starvation of more than a quarter of the Mozambican population and the political opposition of the reportedly more than 10,000 Mozambique National Resistance (MNR) guerrillas and their allies,

remains to be seen, but his failure or success is not his or Frelimo's alone. Also at stake is the security of Mozambique's neighbours. The national security of Zimbabwe, in particular, depends largely on the general stability of Mozambique and especially the stability of the central Mozambican provinces with the corridor that links Zimbabwe with Beira.

Thus, Mozambique directly, and Zimbabwe (and other states, like Zambia and Malawi) indirectly, are South Africa's hostages, and it is here that the challenge for Chissano and also South Africa lies. The challenge is about what constitutes good neighbourliness.

Some South Africans wince under the indictment of their government for its role in the deterioration of Mozambique. Those who spent some time there, remember the romanticism of the place, the exotic interior, the elaborate embracing of death in cemeteries and the long empty distances between towns. For others, who reject colonial nostalgia, Mozambique's recent political history heartened the political soul: we heard the call to resistance, witnessed the dedication from afar and finally hoped that liberation was at hand. We are all like Camoens, seeing the reflection of our political selves in Mozambique, using the territory and its people for our own purposes, while the real Mozambique eludes us.

But perhaps this is where an understanding of Mozambique must start: with the recognition that Mozambique has always been exposed to – indeed dominated by – outside forces. It is tempting to see Portuguese rule as the root cause of this vulnerability, but Mozambique's weakness is based on its geographical position and natural resources.

Long before the arrival of the Portuguese, Arab merchants since the 8th century had established themselves in the area, locking Mozambique into a pattern of unequal exchange with outsiders. The Arab merchants took the most valuable resources (gold, ivory and slaves), leaving nothing that could replace the departing wealth. When the Portuguese arrived in the 15th century, they did not intend effective occupation but simply altered the direction of trade to Portugal's benefit.

Soon, however, the gold and ivory supplies were depleted and humans became Mozambique's most prized asset. The slave trade flourished and, although the British forced an official ban on the trade in the early 19th century, the practice continued long afterwards. What happened during the declining years of the slave trade underlined another facet of Mozambique's vulnerability. Portugal's golden age was gone. Challenged by other maritime powers, the Portuguese were defeated and, after the Treaty of Methuen in 1703, Britain became Portugal's protector or, some would say, her colonizer.

Caught in this web of colonial links, Mozambique became a backwater. Being ruled by the Portuguese in fact consisted of the Portuguese projecting their sovereignty from coastal forts towards the interior. Portugal was indifferent to Mozambique's fate, an indifference punctuated by leasing land to individuals such as the *prazeiros*, who were to create a fascinating tale of Europeans becoming Africanised. Portugal was lucky not to lose Mozambique during the scramble for Africa, subsequently imitating its protector Britain's practice of leasing land to private companies, combined with pacification campaigns aimed more at negating overt challenges to their rule rather than effective occupation.

By the start of the 20th century, Portugal was an odd colonial power. Whereas colonialism is usually associated with the consequences of economic growth, industrialisation and broadening political horizons, Portugal was agricultural, poor and embroiled in domestic politics. When Antonio Salazar became prime minister, however, Portugal embarked on a search for glory and wealth. The real start of Portuguese colonialism came in 1930; indeed the colonies were the key mechanisms whereby the "new Portuguese state" (*Estado Novo*) was to develop and recapture past glory. This would require more efficient administration and exploitation.

Yet, if the oft-repeated phrase "Without Africa, Portugal is nothing" was correct, how was Mozambique to contribute? The years of neglect had revealed no valuable resources other than human traffic and outsiders' use of the territory as a transit area. But for the Port-

uguese, humans meant labour in service of Portugal's needs, including forced agricultural production (producing, for example, the cotton necessary for Portugal's fledgling textile industry), labour in service of the State (creating the rail, road and port facilities that could enhance Mozambique's value as a transit area), and selling labour to outsiders (the South Africans in the south and the Rhodesians in the centre and north of Mozambique).

Any profits were used to metropolitan benefit, ensuring that Mozambique acquired, except for some minor secondary industries, nothing to augment its natural resources. Profits went to Portugal either directly through customs duties or the gold received from Mozambicans' labour on South African mines or indirectly through, for example, the reduction of labour costs or the artificially high level of agricultural production. In time, the role of neighbours was to add yet another thread to the web of colonial relations woven around Mozambique. South Africa, in particular, established its power in Mozambique, which serviced its neighbour as a labour reserve, market for manufactured goods, export route, tourist haven and, later, as energy-supplier.

To understand the effects of Portuguese colonialism, one need not dwell over obscure reports, for the very nature of Mozambican society reflects it. Because of its elongated shape and early population movements, regional differentiation had already occurred in Mozambique, but Portuguese rule accentuated differences between, chiefly, the north, centre and south. The population movement of the south (south of the Zambezi but more particularly south of the Save river) was, and today largely remains, to the Lowveld and Witwatersrand, that or northerners (Cabo Delgado and Niassa) northward, and that of the centre and northwest towards the west.

The railroads the Portuguese constructed, and which today remain, do not link the north with the south. The consequences of migration compounded regional differentiation, as southerners' exposure to urban life on the Witwatersrand resulted in the

stereo-typing of them as "aggressive" and "domineering". Southerners, in turn, stereotyped northerners as "backward" and "lazy".

In addition, Portuguese rule cultivated social distinctions. The cultural policies of the *Estado Novo* were animated by the principles of brotherhood, Catholicism, the dignity of labour, and homeliness, which were superior to African values. Mozambicans could in theory, through education, be assimilated into Portuguese culture; but in practice the Portuguese never resolved the contradictions of their claims to both cultural superiority and racial tolerance.

Whether this failure is rooted in the cultural narcissism of the *Estado Novo* or mere racism, is unclear, but the scarcity of educational opportunities in Mozambique

made *assimilado*-status hard to attain: in 1961, less than 1% of Mozambicans were assimilated. Co-existing with regional differences, therefore, were class-type distinctions: the majority of the population, illiterate, unassimilated, were engaged in subsistence agriculture in different kinds of rural areas, while the towns were occupied by *assimilados*, *mestiços* (persons of mixed race), Portuguese and the unassimilated.

The contradictions of Portuguese cultural policies were mirrored in administrative practices, wherein Portugal simultaneously denied the political legitimacy of traditional authority yet entrenched it to suit their needs. Political decisions naturally originated in the metropole, with local bureau-

crats ensuring their execution by, for example, fixing production quotas and enforcing labour regulations.

Local bureaucracy consisted of Portuguese career officers, military men, a few Mozambicans and, at the lowest level, traditional chiefs. Although transformed by their participation in the colonial bureaucracy as informers, tax collectors or recruiters of labour, traditional authority was uninterrupted by Portuguese colonialism. Authentic traditional rule was lost, but for most of the population foreign rule wore a half-familiar face, with conflicts here often being covert or passive. The major thrust of Portuguese brutality lay elsewhere, especially where nationalist noises were heard.

The first president of Frelimo, Eduardo Mondlane,

was later to claim that Mozambican nationalism started in the Twenties and Thirties. This claim might well be generous. Certainly, Portuguese rule was resented, but the Portuguese suppression of resistance was swift and, combined with the regional political layout of Mozambique, made any collective, overt nationalist activity virtually impossible.

The resistance that preceded the creation of Frelimo in 1962, indeed reflected the demographic and political realities of Mozambique's incorporation in the *Estado Novo*. Some of the resistance was deliberately disguised and only occasionally complemented by open strike-type activity in towns. Already, what could loosely be called anti-colonialism occurred outside Mozambique among exiles and migrants in neighbouring territories. Eventually these organisations and their leaders gravitated to Tanzania where, in 1962, they amalgamated to form Frelimo.

Although the first Mozambican nationalist organisation with an intended nationwide constituency, Frelimo during the Sixties seemed unable to either provide a political home to all nationalists or to maintain internal unity. Within Frelimo, the battles were about many things, but gradually a pattern emerged wherein a group of *assimilados*, *mestiços* and southerners opposed a northern group who claimed to have close connections with the Makonde of Cabo Delgado.

This was not the seeping upwards of tribal animosities; it was primarily battles between leaders who, in order to boost themselves, claimed tribal support. Portuguese colonialism had created a tiny elite, only some of whom participated in the nationalist struggle. Exile entailed hardship, but it also offered fantastic new rewards – though not for all leaders. Enemies were easy to make and hard to forgive.

When Samora Machel eventually became president after the death of Mondlane in 1969, however, Frelimo's leaders settled down to a more consensual style of decision-making. But beyond Frelimo there were many leaders who despised the organisation. Some of these people never joined Frelimo, others left it or were expelled and, though they could never offer a viable alternative to Frelimo, they trekked around, searching for political patrons.

For most of the Sixties, too, Frelimo's effectiveness was based more on the legitimacy accorded to it by international organisations than on guerrilla warfare. The rhetoric of the struggle abounded with Maoist notions such as the sinking of political roots in communities before guerrilla actions commenced and "outadministering" the enemy in liberated areas, but Frelimo initially spent little time in politicising the population.

Frelimo nevertheless was inventive – today they take great pride in this – and, towards the end of the Sixties, increasingly emphasised politicisation, managing between 1971 and 1974 to extend their operations from Cabo Delgado and Niassa to Tete and occasionally even further south.

But politicisation entailed different, even contradictory, things. In some areas Frelimo managed to sink its roots in the rural population, but in other areas they collaborated with traditional authorities who, after all, were the real powerholders of the countryside. Rural dissatisfaction in any case was increasing as Portuguese counter insurgency failed, particularly the military sweeps and the removal of the population to strategic hamlets, the latter initially popularised by the British in Malaya, but whose use elsewhere has backfired.

For the moment, however, the point was to remove the Portuguese through attrition and how this was done, was measured by effect, not by whether Frelimo had translated political legitimacy into an enduring support base or whether that support base contained contradictory forces.

But when the Portuguese left it created additional problems. In 1974 Frelimo's operations had not extended south of the Zambesi river, leaving the south wholly and the centre relatively untouched by Frelimo's activities. More ominously, Portugal's initial post-coup promise of elections saw the return to Mozambique of Frelimo's opponents. Frelimo legitimacy was uncontested, however, and the Portuguese handed over power to it, and then left – lock, stock and barrel.

What Frelimo wanted to do now was consistent with its ideological self-understanding. This understanding had changed since the early Sixties, and viewed the struggle as a three-step progression from National Liberation (or anti-colonialism) to National Democratic Struggle (starting from the politicisation in the late Sixties) and, finally, to People's Democratic Struggle (the use of State-power after 1975 to build socialism). Ideological radicalisation had not been forced upon Frelimo; it was a consequence of several experiences after 1962 and the understanding of these experiences was that liberation meant more, much more, than the expulsion of Portugal. Frelimo's goals and organisational structure would change with each step of the liberation process and, as Frelimo had been supported, so it would support liberation struggles in Southern Africa. So State-power was to be used to change Mozambique for the better, but what was "the State" the Portuguese left behind?

The most obvious remnants of Portuguese rule were the 30 000 Mozambicans who fought in the Portuguese army, and traditional authorities. Less obvious was a

huge foreign debt. There also was no reservoir of literate Mozambicans who could fill empty government offices and Frelimo's resources, too, were limited. Of the estimated 10 000 guerrillas, most were illiterate and unskilled; as a whole, the guerrilla-army was an undisciplined force prone to "reactionary" actions such as drunkenness and theft.

To make matters worse, a section of this army attempted a coup in December 1975. For Frelimo, the political priority was unambiguous: turn Frelimo into a cohesive unit and link that unit with the population. This was done in democratic-socialist (or soviet-) style, with Frelimo dividing into interlocking army- and party-components and the party-component consisting of hierarchically-linked cells.

The party was a vanguard (or elitist) organisation, supported by mass-organisations of, for example, women and youth and specially-created party organisations such as the "dynamising" groups. Traditional authorities, the mainstay of Portuguese rule as much as the struggle against it, were sidelined – unless of course they chose to join Frelimo as humble party-members. Officially, Frelimo was a "peasant-worker" alliance and more State money was spent on urban workers than their numbers justified; when the money did go to the countryside, it was almost wholly absorbed by State farms, not subsistence farmers.

Overall the picture, however, was not that bleak. Although indebted to communist powers for support during the struggle, the Machel regime's attitude towards, especially, the Soviet Union was cautious; at a time when the Soviet Union usually gives military aid and not economic advice, the Mozambicans ironically imitated Soviet economic and political forms. Special wrath was reserved for the Americans, including charges of spying, but as Frelimo's ideological tone later softened and economic difficulties necessitated the rescheduling of foreign debt through the IMF, the Americans were welcomed back.

For some time, the Mozambican economy provided cause for both hope and despair. Between 1974 and 1976, capital and skilled labour had virtually disappeared but afterwards, particularly between 1977 and 1981, production figures seemed to suggest that Mozambique was not heading for economic disaster – provided world prices were favourable, climatic conditions did not threaten the fragile, non-technological agricultural production and Mozambique could manage its relations with its neighbours so as not to fatally damage sources of State revenue. All these hopes were dashed as a world recession set in, a cyclone, and then prolonged drought, wreaked havoc in rural areas and Mozambique and its neighbours made war on each other.

Mozambique's relations with its neighbours exhibits a ruinous cost-benefit ratio. At first South Africa remained in the background with a "business as usual" approach, while support for Zimbabwean liberation organisations occupied centrestage. The Rhodesians' response nevertheless was unexpectedly tough, destroying infrastructure and, worse, led to the organisation of political resistance against the Machel regime in the form of the MNR.

After 1980, South Africa moved to centrestage with its patronage of the MNR, as well as the general destabilisation of Mozambique. Although the political logic remains as is – should Mozambique support South Africa's banned African National Congress (ANC), then she will suffer the costs thereof – South Africa is a more formidable opponent than the Smith regime. Not only can South Africa manipulate the revenue of Mozambique through, for example, labour recruitment, but South Africa, since the mid-Seventies, has had a regional policy based on the notion that South Africa's defence requires weak, non-Marxist neighbours. Thus, South Africa's defence requires that Mozambique, and particularly its experiment with socialism, fail.

South Africa's actions in Mozambique have made a hefty contribution to the makings of disaster. The support of the MNR continues despite the Nkomati Accord signed by Pretoria and Maputo, though the public justification of it now stresses that it is humanitarian, not designed to subvert (thus keeping to the letter of the Accord), and aimed at creating a coalition government. As the captured Gorongosa diaries revealed, South Africa also helps the MNR to recruit non-South African support, and encourages the MNR to damage Mozambique's infrastructure. It is this combination of support for the MNR with damage to infrastructure that is so deadly: if Mozambique were a relatively integrated, self-sufficient country, support for dissidents would have serious, though not necessarily calamitous, consequences.

But Mozambique is not, and especially not after 1975, that kind of society. The already fragile economic and political coherence has been shaken, and in this environment it is not only the MNR that flourishes but also banditry, corruption, hunger and lawlessness by officials and civilians. As the Zimbabweans and others who have come to help have discovered, what we identify as "MNR actions" might well be the general symptoms of economic and political collapse, ultimately making Mozambique ungovernable by any regime.

The MNR itself remains a composite force, attracting refugees in search of the resources and relative safety available at MNR-headquarters in the Gorongosa mountains, traditional leaders and their rural allies, soldiers who formerly fought for the Portuguese, deserters and other disaffected former members of Frelimo, and foreigners. Its ideological positions suggest a vaguely pro-Western stance, but more importantly, it contains a "respect for tradition" approach which shows them to be well-aware of the importance of the countryside in Mozambican politics. The major strength of the MNR lies not in its ideology, however, but in its patronage by outsiders.

To be sure, Frelimo has made major, perhaps even fatal, mistakes. It unpractically experimented with socialist economic and political forms, neglected the countryside and seemed to attach too little importance to the fact that State-sponsored socialism requires revenue which, for them, requires friendly neighbours.

As they have, since the 8th century, outsiders – in the region and further afield – hold the key to Mozambique's development. These outsiders cannot solve Mozambique's problems, but they can ruin any attempt at solving them. If these outsiders cannot restrain themselves and nature does not play along, Mozambique's worst days still lie ahead.

CS0: 3400/727
/9317

BEIRA PORT STILL FUNCTIONING DESPITE POWER CUTS

Harare THE FINANCIAL GAZETTE in English 19 Dec 86 p 5

[Text]

TRAFFIC IS moving at the rate of one train per day on the Mutare to Beira railway line, rehabilitation of the facilities at the port is proceeding slowly, and although there are electricity cuts in Beira these are not affecting the operation of the port at present, the Harare office of Rennie's Shipping and Airfreight reported this week.

Export transit items on the Mutare to Beira line are being maintained at four to six days. Although sabotage by the MNR put the line out of commission early in November this year, this was repaired in a matter of days, and the rehabilitation of the line is continuing. Rennie's report that one train per day is running on the Mutare to Beira line, "when required".

Rehabilitation work at Beira port on the building and resurfacing of the proposed container wharf and terminal is continuing, but Rennie's state that this terminal will not be operational for another three to six months.

"The repaving of wharves 6 and 7 is under way, but work appears to be slow due to periodic shortages of either cement or water", the report stated. These wharves are not in use, and all their facilities — cranes, warehouses and equipment — will need to be refurbished before they can be reopened. "This could be a fairly long-term project", the shipping company observed.

Wharves 3, 4 and 5 are suitable for use only for smaller coastal and fishing vessels. Repaving and refurbishing of facilities on these wharves will follow the completion of work on wharves 6 and 7.

Break-bulk handling at Beira port is adequate at present, although over half of the 3 — 5 tonne cranes are out of order. Only one 20-tonne crane on berth 2 is operational, and if ships cannot utilise their own gear for offloading, facilities are limited.

The two 20-tonne forklifts for dockside container handling were both out of order for the first three weeks of November. This has resulted in a backlog of containers carrying imports for transportation by rail to Zimbabwe. However, this backlog is now being cleared as the forklifts have been repaired.

Breakbulk movements, both imports and exports, and the handling of 20-foot containers is not a problem, "provided the equipment is working", Rennie's stated. "In extreme circumstances the container handling equipment of the ro-ro vessels may be used to clear backlogs, but this is obviously only when these vessels are in port, which is approximately every 24 days," the report concluded.

Beira has been without electricity for almost four months, and supplies are not expected to be restored for at least another two to three months. The port is, however, functioning, utilising stand-by diesel generators.

CSO: 3400/727
/9317

MNR SAID TO BE WAGING PROPAGANDA WAR THROUGH PUBLICATION

Gweru MOTO in English No 50 [no date given] p 19

[Article by P. Neergaard]

[Text]

AS part of its international propaganda offensive against the Mozambican government the MNR has embarked on the publication of a propaganda magazine entitled *A Luta Continua* (the struggle continues), a slogan used by FRELIMO, now plagiarised by the MNR. Described as the official organ of the RENAMO organisation, this magazine is published six times per year and may be found on sale in Lisbon and Johannesburg.

The editor is Paulo Oliveira, an obsequious functionary of the MNR, whose offices are located in the Portuguese seaside town of Cascais, some thirty-five kilometres outside Lisbon. Even the most uninformed would have difficulty in believing that the magazine is typeset and printed by Graficas Gorongosa in Mozambique. The publishers have sought to give the impression that the Gorongosa bush camp of the MNR included sophisticated production facilities for publication of glossy magazines!

In the December 1985 edition of this MNR magazine an extravagant and virtually unbelievable claim of the successes against the Mozambique government forces is made. During the month of September 1985, the MNR contend that they killed 872 enemy soldiers, wounded 1 007, captured 568 deserters, destroyed 348 military vehicles, wrecked or destroyed 14 tanks, captured 1 149 rifles and machine guns, 27 mortars and 15 anti-aircraft cannon.

In addition, the MNR claim they destroyed 95 tonnes of military equipment, shot down 1 MiG-17, 1 MiG-21, 1 Allouette-3 helicopter and 1 Hunter jet of the Zimbabwean Armed Forces; killed 167 Zimbabwean soldiers, 2 Soviet and 1 East German military advisors and that was just for September alone. Adding up the figures on a month by month basis the claims would have the gullible reader in Portugal believe that during 1985 operations the MNR killed a total of 5 652 enemy soldiers, wounded 6 033 others and captured 9 544 rifles and machine guns.

The same magazine states that during November 1985 two Jesuit priests, father Silvio Moreira and father John de Deus Kamtedza, were assassinated on the order of FRELIMO. The MNR propagandists explain that this was because the priests enjoyed good relations with MNR forces operating among the villagers of the Angonia district in the Tete province of Mozambique.

In an article entitled 'Mozambique, the hour of Vietnamization', it is claimed that 30 000 foreign troops are presently operating in Mozambique alongside the regular government forces. Of these troops, 15 000 are said to be Zimbabwean, 10 000 members of the Tanzanian People's Defence Forces (TPDF) and 3 000 Zambians. These forces are furthermore strengthened, claims the MNR magazine, by Soviets, Cubans, East Germans and Ethiopian pilots for the MiG-21s. The article's

basic contention is that Mozambique is being converted into a Vietnam type situation of a no-win war for the Mozambique government and its supporters, which in addition to the Zimbabweans, Tanzanians, Cubans, Russians, et al, now include people like Tiny Rowlands and the Lonrho organization.

Bizarre claims of secret contact between Samora Machel and Lisbon based Mozambique political opponents of the FRELIMO government are also made. It is alleged that the Mozambique secret police, SNASP, have contacted members of FUMO, MONAMO AND FRESAMO, with a view to their inclusion in the Maputo government. Somehow, the Libyan leader Muammar Gadaffi has been brought into the picture with a suggestion that he will be donating twelve million dollars to the MONAMO political organisation.

Also published is the political manifesto of the MNR which includes a seven point plan to be implemented by the MNR under

the leadership of Afonso Dhlakama who is pictured in the magazine at a bush briefing, somewhere in Mozambique, alongside the South African vice minister of Information, Louis Nel. Afonso Dhlakama is obviously a splendid young man, a hero and beloved of all. He is hailed as the next president of the Republic of Mozambique should the MNR and its supporters have it their way.

Perhaps the most sinister aspect of this magazine are the cover photographs which depict a MNR rebel holding an AK-47 rifle and looking for all the world just like one of the old Rhodesian Selous Scouts. The photo on the rear shows a group of armed men carrying G-3 rifles and dressed in the conspicuous uniform of the South African Defence Forces (SADF) and suspiciously just like Bishop Muzorewa's auxilliary forces of 1978-79. Clear evidence, if further proof was necessary, of South African involvement in the direction and deployment of the MNR as an instrument of regional destabilisation. □

CSO: 3400/727
/9317

CAPTURED MNR BANDIT DESCRIBES CAMP IN ZOMBA, MALAWI

Harare THE SUNDAY MAIL in English 21 Dec 86 p 2

[Text]

MAPUTO:

A CAPTURED bandit of the South African-backed MNR has told Mozambican security that he was trained at a base in Zomba, inside Malawi.

According to an official Mozambican source, the bandit, Benissone Medembe, says that in the base there were 122 bandits who had come from Mozambique, plus 584 who had been trained in South Africa and transferred to Malawi.

Medembe is 32 years old and was born near Milange in Zambezia province. He claims that he was kidnapped and press-ganged into the MNR in Milange in 1984. He and the other 122 bandits were taken to the Zomba base in trucks belonging to the Malawian prison services.

Zomba is in southern Malawi, some 20 km from Lake Chilwa, which forms the border with parts of the Mozambican districts of Milange and Mecanheias (Niassa province).

After three weeks of interrogation Medembe was returned to the base where he was given a senior post.

Medembe said the 584 bandits from South Africa were told on their arrival at Zomba to await in-

structions to enter Mozambique through the Malawian border with Zambezia.

He saw the MNR receive weapons that came from South Africa, Portugal, the United States and France. According to Medembe all the weaponry was controlled by the Malawian secret police.

Food at the base was provided by the Malawian authorities and "other countries". The base had two radio transmitters, and Medembe says he worked with one of them.

He added that the MNR's "supreme commander", Afonso Dhlakama, visited the camp twice. Dhlakama also used to visit a Malawian witch doctor by the name of Wahala Walowo at Migori-Phalombe.

Medembe also spoke of regular shipments of drugs from South Africa for the MNR, and of the existence of MNR bank accounts in Malawi through which bandits who had trained in South Africa could exchange South African rands for Malawi kwachas.

At the end of September Malawi pushed several thousand MNR bandits into the Mozambican provinces of Zambezia and Tete. — Ziana-AIM.

/13046

CSO: 3400/721

UTILITY CORPORATION TURNED OVER TO PROVISIONAL GOVERNMENT

Johannesburg DIE VADERLAND in Afrikaans 24 Oct 86 p 4

[Unattributed article: "South West Takes Over SWAWEK"]

[Text] Pretoria--South West Africa took another step closer to economic independence yesterday when the South West African Water and Electricity Corporation (SWAWEK) was transferred by the government of South Africa to South West Africa at the request of the administrator general.

At the same time South Africa granted a loan of 65 million rands to the government of South West for the purpose of buying out the shares in SWAWEK held by the Industrial Development Corporation (NOK).

The balance of the loans granted by South Africa under loan agreements to SWAWEK for electric service development will be repaid by SWAWEK to the South African government.

The minister of Mineral and Energy Affairs, Mr Danie Steyn, who acted as chairman at the transfer, says that arrangements have been made for the continued supply of electricity to the Walvis Bay enclave.

Mr Dirk Mudge, who acted as the representative of the provisional government of South West Africa, said on the occasion that they were taking over a valuable asset and that it would be used for the peace and prosperity of the country.

Mr Barend du Plessis, finance minister, said at the awarding of the loan that it constitutes an aspect of the emancipation process whereby the government of South West accepts more complete financial responsibility in regard to SWAWEK.

According to Mr M. T. de Waal, NOK chairman, SWAWEK is a fundamentally sound organization which has the ability to supply uninterrupted power at a reasonable rate.

13238/12851
CSO: 3401/39

EMPHASIS IN GUERRILLA WAR SHIFTS TO CIVIC ACTION

Pretoria DIE TRANSVALER in Afrikaans 17 Oct 86 p 11

[Article by Jaap de Bruyn: "The Quiet War"; first paragraph is DIE TRANSVALER introduction]

[Text] In many respects the war in South West Africa/Namibia has become a "quiet war" in the sense that contact between the South African Defense Force and the South West African Territorial Force no longer regularly makes the news columns. But the war is still a reality and in many cases the emphasis has shifted from the battle front to the local populace. Jaap de Bruyn went to pay a visit to the operational area to see for himself how matters look there.

A Struggle for the "Hearts" of South West's People

In addition to the armed conflict in South West Africa/Namibia, there is another struggle raging there--a "quiet war" for the hearts of the local populace.

The indications are that the Territorial Force in South West and the South African Defense Force are in the process of winning the struggle--not only in the military area, but also on the home front.

At the height of its power, SWAPO used its fighting force, the PLAN [People's Liberation Army of Namibia], to compel the local populace through intimidation into cooperating with it. Recently, the military successes against the enemy have enabled the local populace to throw off the PLAN yoke because PLAN can no longer get at them so easily.

The war in South West can be divided into two phases: the one on the battle front which forms with PLAN infiltration during the rainy season, and the one which is undertaken by local military units in the dry season.

It is above all the second part of the action that is not generally known or does not attract attention.

The SADF set itself a broader goal than securing the territory for which it is responsible in the border war. Where it was very evident that SWAPO's

struggle was aimed at gaining power and that alone, it is just as evident that the SADF intervened for the benefit of the local populace in the socio-economic area.

Instead of intimidation and the vague communistic dispensation which is offered by SWAPO, the SADF offers a purposeful program which teaches the people of South West to train and provide for themselves. Already at the outset it was very evident that there were by no means sufficient numbers of leaders available to perform the task of education and community service.

The SADF has supplied the qualified personnel needed in the area of teaching, agriculture, and administration, and also delivers health services where required.

Assistance is provided only if it is requested and lasts only until such services can be taken over at the local level.

An investigation which the SADF undertook in 1974 brought to light that almost all of the pupils attending school in the operational area were only going to primary schools. To attack the problem, the SADF sent, already in 1974, the first 15 teachers to Kavango by request.

Next year 152 draftees were assigned to headquarters in Windhoek. They worked primarily in Ovambo, Kavango, Kaoko and also East Caprivi.

Assistance which the SADF rendered in the area of agriculture has resulted in the fact that agriculture today in the operational area is not just a subsistence economy, but that surpluses are being produced there for the first time.

In 1960 there was only one government hospital in the northern part of South West--that is, at Rundu. Today there are several well-equipped hospitals in the operational area. The SADF's doctors and dentists and their medical orderlies are rendering service on a large scale wherever it is needed. This includes field clinics.

There Is Still Fight Left in PLAN

Although it is losing support among the local populace at an increasing rate and is being trounced on the battle field, SWAPO and its military wing PLAN is not done for yet.

This is the opinion of military experts concerned with the war in South West Africa/Namibia. PLAN is finding it more and more difficult to strike inside South West. So far this year it has lost already nearly 500 men. Terrorist actions thus far this year have been limited to incidents of sabotage, and infiltrators are clearly afraid to pit their strength against local territorial forces or the South African Defense Force.

But, warn authorities, PLAN is not out of the picture yet. Despite its heavy losses (approximately 10,000 in the past 10 years) and its inability to gain recruits, it is nonetheless successful in creating incidents in South West Africa/Namibia.

Thus far this year there were altogether 249 incidents as opposed to 217 last year--most of them sabotage.

According to information, PLAN today has only 9,000 men available. Its recruiting of volunteers from among the local populace in South West is almost nonexistent, and therefore it kidnaps young people to attempt to maintain its ranks.

A problem that PLAN also has is that it can only use about 1,500 men in South West. The rest of its forces are utilized in securing its bases and camps in Angola against UNITA.

Although PLAN's morale is low, officers are nonetheless succeeding in keeping the war going. This is done primarily by not giving the lower ranks any information about losses and also by spreading the rumor that deserters from PLAN are tortured and killed by the security forces in South West.

Furthermore, commanders control their subordinates by terrorizing them. Stories of detention, torture, and executions are freely told by deserters going over to the security forces.

13238/12851

CSO: 3401/39

TAMBO ASKS FOR INCREASED ANC AID

Lagos DAILY TIMES in English 3 Dec 86 p 16

[Text]

THE president of the African National Congress (ANC) Mr. Oliver Tambo, has advised the Federal Government to take seriously the threat by South Africa to attack Nigeria.

Mr. Tambo told newsmen in Lagos yesterday that Nigeria should be ready to meet such an aggression because the racist regime was desperate enough to carry out the threat.

He said Nigeria's support for the liberation struggle in southern Africa and the fact that Nigeria had the capacity to make a difference in the situation there had exposed her to South African aggression.

The ANC leader cited the death of Mozambican President Samora Machel in a plane crash after a threat on his life by the racist regime.

Mr. Tambo said there was no doubt that Mr.

Machel was murdered by South Africa because there had been report from the media less than a week before the crash that Pretoria would eliminate him.

He disclosed that there was reliable information that Pretoria was threatening to assassinate President Kenneth Kaunda of Zambia and Prime Minister Robert Mugabe of Zimbabwe.

According to the information, the ANC leader is also on the list of prominent leaders to be eliminated.

Mr. Tambo said the ANC took the threats seriously and would advise others to do the same.

Meanwhile, Nigeria has promised to give more financial and material aid to the ANC.

President Ibrahim Babangida gave the pledge in Lagos yesterday

in response to a request by Mr. Tambo who called on him.

Mr. Tambo had requested for an increase in aid which will enable the ANC "put the racist regime under as much pressure as possible," and brake the present stalemate in South Africa.

President Babangida agreed with Mr. Tambo that there was a need to "push the liberation struggle forward and confront the racist regime with a situation which its state of emergency laws would be unable to contain."

Mr. Tambo said he came in with personal greetings from Mr. Nelson Mandela, the jailed ANC leader to President Babangida.

He told President Babangida that the morale of freedom fighters in the racist enclave "is very high despite an increase in the repression and arrest of our people."

/13046

CSO: 3400/712

COMMONWEALTH PRESIDENT, BABANGIDA ON FRONT LINE STATE AID

Lagos DAILY TIMES in English 22 Nov 86 p 3

[Text]

PRESIDENT Ibrahim Babangida held a 45-minute meeting with the secretary-general of the Commonwealth, Mr. Shridath Ramphal, yesterday at Dodan Barracks.

Their discussions centred around South Africa's current efforts to destabilise the front line states.

Mr. Ramphal told President Babangida that the frontline states, particularly Mozambique, needed more support from Nigeria and other friendly countries to survive South Africa's destabilisation efforts, saying that economic aid alone might not be enough.

Mr. Ramphal told President Babangida that the

African National Congress (ANC) was particularly grateful for the report of the Commonwealth Eminent Persons Group (EPG) and praised the role played by General Olusegun Obasanjo (retired) in the group.

President Babangida assured Mr. Ramphal of Nigeria's continued assistance to the Frontline states and expressed the country's readiness to do all that was possible to help the Mozambican Government survive South Africa's destabilisation efforts.

In an interview with State House correspondents later, Mr. Ramphal said the Commonwealth was in the vanguard of the current anti-apartheid struggle in South Africa.

/13046
CSO: 3400/716

LARGE INFLUX OF ALIENS REPORTED

Lagos DAILY TIMES in English 24 Nov 86 p 3

[Text]

A NUMBER of alien beggars from neighbouring Niger Republic have swarmed major streets in Gusau, Sokoto State.

According to the report, the beggars, mostly women and with their children, can be found at the Gusau Motor Park, the railway station and other public places including hotels.

One of the beggars, Aminatou Hammadou, a widow with six small children said that she came on foot from Niger Republic because "my husband died leaving nothing for us to live on.

She said that many of them came to Nigeria because Nigerians were generous, pointing out that many more beggars would troop into the

country as soon as they completed harvesting their crops.

Many of the female beggars came in with their husbands or relatives who secured employment from wealthy Nigerians as night guards.

When contacted, a source close to the immigration department in Sokoto said that immigration control posts had been established in all the 19 local government areas of the state to check the influx of illegal immigrants.

The source said that immigrants were expected to register at the immigration post within their area of residence, but regretted that many aliens, especially those without the necessary papers, had not been complying with the requirement.

/13046

CSO: 3400/716

BABANGIDA WARNS OFFICERS AGAINST MISCONDUCT

Lagos DAILY TIMES in English 29 Nov 86 pp 1, 9

[Text]

SOLDIERS have been advised against any misconduct or acts capable of tarnishing the image of the army and the present administration.

President Ibrahim Babangida, who gave the advice, said that the success of the administration depended on soldiers, exemplary conduct, particularly the manner in which they bear the pains and hardships of the moment.

General Babangida was addressing officers and men of the Nigerian Army at the small arms championship held at Igrinta shooting range near Port Harcourt yesterday.

He said there was need for soldiers to demonstrate to the public honesty of purpose and mission as well as transparent example in the style of living and obedience to the laws of the land.

As members of the armed forces, he said, "You have enough at stake in the leadership

and success of the present administration".

The president, however, urged the soldiers to bear in mind that it was not the number of rounds of ammunition fired which mattered but the number of those rounds which hit the designated targets.

General Babangida said he was optimistic that the army would always return victorious from any battle if the soldiers maintained the present standard.

Judging from the result of the competition, particularly the high individual and group scores, he added, the aims of the competition had been largely achieved.

He, therefore, congratulated participants at the championship for what he described as "satisfactory performances" saying he believed the high scores recorded were products of keen competition and display of professionalism.

The president said he was happy to

acknowledge with considerable delight and appreciation the large turn out of other citizens at the gathering, adding that he had no doubt that it was a reflection of the understanding and cordial relationship existing between the army and the public in the area.

Army headquarters garrison/signals brigade of guards, Lagos, emerged the overall winner at the championship with a total score of 3,766 points.

The 1st Mechanised Division, Kaduna, came second with 3,710 points while the 2nd Mechanised Division, Ibadan, came third with 3,534 points. NACA, Lagos, came fourth with 3,520 points. Other results are 82, Division, Enugu, 3,516 points (5th) and 3rd Armoured Division, Jos, 3,123 points.

The trophy for the best marksmanship at the competition went to Lt. D. G. Ezianya.

/13046

CSO: 3400/715

BABANGIDA ON RATIONALE BEHIND NATIONAL YOUTH CORPS

Lagos DAILY TIMES in English 6 Dec 86 pp 1, 9

[Text]

PRESIDENT Ibrahim Babangida yesterday in Lagos said that NYSC scheme was the first deliberate attempt by the Federal Government to prevent the recurrence of another civil war in the country.

In an address read on his behalf by the Chief of Naval Staff, Rear-Admiral Patrick Koshoni, at the president's national award ceremony for NYSC members, President Babangida said that the scheme had helped to reduce ethnic prejudices and taboos among youths.

"It is hoped that this will have a multiplier effect on the entire public, particularly the older generation in due course," he said.

President Babangida said that the Federal Military Government was fully aware of the importance of youth in the framework of national development saying that "the administration's current emphasis on social development cannot succeed without the active involvement of the youth."

He said that it was government intention to harness the leadership qualities of youth corps members to prepare the youths for the rapid socio-economic development of the country.

"I believe that the scheme provides adequate avenues and opportunities for us to use as a vehicle for positive social changes," he said.

In particular, he said, youth corps members would constitute the major agents and catalysts for the propagation of the tenets of the proposed national orientation movement (NOM).

He declared: "Youth corps members will constitute the major agents and catalysts for the propagation of the tenets of the NOM."

President Babangida said as youths constituted a vital source of manpower for development, his administration's policy was to use NYSC members as launch pads for mobilizing youths throughout the country for meaningful development.

This, he said accounts

for the fact that NYSC members have been deployed to all local government areas to help in monitoring government projects under the auspices of the Directorate of Food, Roads, and Rural Infrastructure.

President Babangida announced that the Federal Government would soon introduce special programmes for the education of the gifted at all levels.

The Minister of Social Development, Youth and Sports, Air Commodore Bayo Lawal, said that the scheme had to "carry the physical presence and efforts of the government to all the nooks and corners of the country."

Twenty-three youth corps members were conferred with the president's yearly NYSC honours in recognition of their excellent performance during the 1985/86 service year.

Three of them bagged the president's NYSC national honours while 20 won the president's state honours.

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CSO: 3400/716

DEVELOPMENT MINISTER INAUGURATES NATIONAL YOUTHS COMMITTEE

Enugu DAILY STAR in English 26 Nov 86 p 4

[Article by Chuks Nwosu]

[Text] The minister of social development, youth and sports, Air Commodore Bayo Lawal has inaugurated the National Youths Advisory Committee, (NYAC).

The 27-man committee which has the director of youth development, federal ministry and social development, youth and sports, Mrs J. Oki, as Chairperson, comprises representatives of the federal ministries, armed forces, national sports commission, states representatives on zonal basis and representatives from voluntary organisations.

In inaugurating the committee, Air Commodore Bayo Lawal disclosed that it is expected to design a package of action programmes for the realisation of the objectives of the national youths policy and to enhance the involvement and participation of the youths in national development, foster national unity and understanding amongst the youth and inculcate in them the virtues of patriotism, discipline selfless service, honesty and leadership, with a view to ensuring a purposeful sense of direction for the nation.

He further charged the committee to propose guidelines for the effective implementation of the programmes like the National Youth Employment Programme and the National Youths Award programme all of which are provided for the National Youths Policy.

He directed that youths advisory committees at the federal, state and local government levels should be appointed by the respective governments in compliance with section 3, paragraph 10, of the National Youths Policy, specifically to advise the governments on all matters affecting the youth.

Air Commodore Bayo Lawal urged the committee to give particular attention to the mobilisation of the youths in order to drastically reduce the rural urban drift amongst them, stressing that the problems of the youth are manifold since youth by its nature is sensitive to the rapid changes occurring in the contemporary world."

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CSO: 3400/717

BABANGIDA ON NEED TO DIVERSIFY REVENUE BASE

Lagos DAILY TIMES in English 9 Dec 86 pp 1, 9

[Text]

THE declining revenue and subvention from government have made it imperative now for public and private organisations to diversify their revenue bases, President Ibrahim Babangida has said.

He said this was necessary more than ever before as Nigeria was now passing through a difficult period which had necessitated the introduction of a re-adjustment programme to revamp the economy.

President Babangida was speaking in Lagos yesterday at the inauguration of the Nigerian Institute of International Affairs (NIIA) endowment foundation.

He said that with the country's over-dependence on oil, the situation would continue to pose a challenge from time to time.

President Babangida stated that the inauguration of the foundation by the NIIA was a commendable and significant step to reduce the absolute dependence on government.

He observed that the NIIA had in the 25 years of its history justified its

existence and the dream of its founding fathers.

President Babangida said in addition that the NIIA had continued to live up to the national expectations in the area of international affairs.

He commended its directors-general from 1961, when the NIIA was established, for helping to stimulate public awareness and interest in foreign affairs generally and in Nigerian foreign policy in particular.

He said the continued growth of the NIIA library and archive resources and its research and publications programme had gone a long way to strengthen its reputation as "a unique centre in Africa for advance study of foreign affairs."

President Babangida recalled that the NIIA was established on December 13, 1961, as a non-governmental, non-political, and non-profit making organisation.

He said: "It was taken over by the Federal Government in August 1971 in order to give it the needed financial support for the kind of responsibility it is expected to shoulder and was allowed to retain its non-political and non-profit-making status."

He used the occasion to inaugurate the 12-man board of trustees for the institute.

They include Chief P. C. Asiodu, Chief Alison Ayida, Alhaji Adamu Ciroma, Chief Michael Ibru, Alhaji Ahmed Joda, Alhaji Shehu Malami, Alhaji Aliko Mohammed, and Professor Ben Nwabueze.

Others are Chief C. O. Ogunbanjo, Dr. P.C.N. Okigbo, Major-General Musa Yar'adua and Alhaji Hamza Zayad.

President Babangida said: "The inauguration of this foundation should be seen as a commendable and a significant step taken to reverse the trend of absolute dependence on government to provide everything from its limited resources."

"I am confident that the members of the board of trustees will make concrete and sustained efforts to ensure that the foundation enjoys the financial and moral support of the general public."

"This renowned institute has placed upon your shoulders a very heavy responsibility but "I am confident that being men of achievements and distinctions in your various disciplines you will succeed."

GOVERNMENT INTRODUCES REVISED TARIFF ON EXCISE DUTIES

Lagos DAILY TIMES in English 12 Nov 86 pp 1, 13

[Text]

A REVISED tariff on excise duties has been introduced by the Federal Government.

The new tariff is aimed at giving necessary protection to local industries as well as providing support to non-oil export promotion measures.

This was made known by the Chief of General Staff, Rear Admiral Augustus Aikhomu, in an address at the opening ceremony of the Lagos International Trade Seminar in Lagos yesterday.

In the address, which was read on his behalf by Chief Omowale Kuye, Director of Budget in the Ministry of Finance, the Chief of General Staff said: "Such revamped tariff and exchange rate policies will provide much-needed incentives for developing locally-produced raw materials."

He disclosed that a decree would soon be

promulgated for the discontinuation of import and export licencing schemes, cancellation of export duty, import levy and price controls.

While x-raying the remote and immediate causes of our present economic predicaments, the Chief of General Staff said that as at the end of 1985, medium-and-long-term public debts outstanding was 12.9 billion US dollars, and accumulated general trade arrears at the end of 1983 amounted to N9.5 billion in claims by foreign exporters.

"The Central Bank has only been able to confirm and accept a total of 1.923 billion US dollars to date", he added.

Rear Admiral Aikhomu said the present structural adjustment programme covering the period July 1986 to June 1988, was an attempt to set our government's strategy for addressing the continuing crisis.

He said: "The essence of this strategy is the restoration in the medium-term of a healthier path of national economic development as a component of the integrated world economy."

Rear Admiral Aikhomu explained that the major objectives of the government's restructuring programme are:

(i) To restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;

(ii) To achieve fiscal and balance of payment viability over the period;

(iii) To lay the basis for sustained non-inflationary or minimal inflationary growth;

(iv) To reduce the dominance of unproductive investments in the public sector; improve public sector efficiency and intensify the growth potential of the private sector.

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CSO: 3400/713

EXPORT PROMOTION COUNCIL SLATED FOR REORGANIZATION

Lagos DAILY TIMES in English 10 Nov 86 p 3

[Text]

THE Export Promotion Council is being re-organised in full consultation with the organised private sector to make the council functional, Trade Minister, Alhaji Sumaila Mamman, revealed last Friday.

Speaking at the opening of the 6th Lagos International Trade Fair, Alhaji Mamman also promised that the government would simplify and streamline the bureaucratic procedures involved in export documentation to usher in an era of economic freedom.

He, however, added: "It is hoped that the international competitiveness of the pricing structure of our locally-

produced products including primary commodities shall provide a great incentive to our potential exporters."

He assured potential exporters of the easy transferability and convertibility of the foreign exchange proceeds of the exports through the domiciliary accounts into the Second-tier Foreign Exchange Market (SFEM.)

This, he said, is a challenge to the private sector, expressing the hope that they would not fail the nation.

The president of the Nigerian Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA), Chief Akin-George suggested ways to make the SFEM achieve the desired objectives.

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CSO: 3400/713

GOVERNMENT APPROVES FUNDS TO FIGHT UNEMPLOYMENT

Lagos DAILY TIMES in English 20 Nov 86 p 24

[Text]

THE Federal Government has approved ₦174 million for the creation of job opportunities for all unemployed Nigerians.

Labour and Productivity Minister, Brigadier Ike Nwachukwu said, this followed the acceptance of the recommendation of the committee set up for working out strategies for dealing with mass unemployment.

The committee had recommended that ₦174 million be made available to the directorate of employment for creating job opportunities in the country.

Brigadier Nwachukwu who was speaking while inaugurating members of the directorate for emp

loyment in Lagos yesterday, said the directorate was expected to look into long and short-term measures for providing employment and that a sum of ₦25 million had been provided for the directorate's take-off.

The directorate is expected to implement the national youth employment and mobilisation programme which would train unemployed youths between the ages of 15 and 21 years in various self employment skills.

The 28-member directorate to implement the recommendations of the committee, is headed by Brigadier Nwachukwu.

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CSO: 3400/712

INFORMATION MINISTER ON OVERSEAS CENTERS CLOSURE

Lagos DAILY TIMES in English 14 Nov 86 p 3

[Text]

THE Federal Government has slashed from 32 to 19 information centres in Overseas countries for effective operation.

Information Minister, Mr. Tony Momoh announced this in Lagos yesterday. He disclosed that the information centres were being strengthened to maintain 19 posts abroad which will be activated in three phases.

The 19 posts, the minister continued would include those currently functional in Washington DC; New York, London and Bonn which will cater for all the regions of the world including West and Southern Africa, and Eastern Europe.

Mr. Momoh stressed that it has become more important that a country like Nigeria should publicise its activities abroad and ensure that its

image" is such that it is free of stereotypes that were once associated with it," he said.

He said conscious of this fact, the present administration has decided to pay attention to its external image.

Mr. Momoh said just as foreign policy "is now regarded as a twin brother of domestic policy in view of the world economic order, publicity at home without publicity abroad, is not enough to sustain a country, its government and people."

On the News Agency of Nigeria (NAN), Mr. Momoh said the agency had come a long way since it became operational eight years ago.

He said today, the agency has carved a niche for itself in the Nigerian media structure, such that any mishap befalling it would affect the rest of the media structure.

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CSO: 3400/713

PETROLEUM MINISTER HINTS AT HIGHER DOMESTIC OIL PRICES

Kano THE TRIUMPH in English 19 Nov 86 p 1

[Article by Bashir Umar]

[Text]

OIL subsidy by the Federal Government may again be withdrawn to a higher percentage than what obtains at present.

The Minister for Petroleum and Energy, Alhaji Rilwanu Lukman dropped this hint while answering questions from State House correspondents in Lagos yesterday.

He said, the present 80 per cent withdrawal might rise higher due to the introduction of the Second-tier Foreign Exchange Market and the current low production quota of crude oil by the OPEC.

Answering a question on the possible dwindling of next year's budget, the minister said his ministry would give technical advice to the Federal Government with due consideration to the world oil market situation.

On the possible deterioration of the OPEC administration as regards the recent forced exit of the powerful Saudi Arabian Oil Minister, Sheikh Zaki Yamani, Alhaji Lukman, who is the current OPEC President

declined to comment but said: "Let us wait for a policy statement from the Federal Government".

He however indicated that the next OPEC meeting which comes up next month would be stormy and hectic because many new things would come up.

The minister's discussion with the president yesterday was not made public but sources at the Dodan Barracks said that it was not unconnected with next year's budget.

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CSO: 3400/717

ABACHA ON ARMY FUEL CONSUMPTION RATE, SUPPLIES

Lagos DAILY TIMES in English 2 Dec 86 p 12

[Text]

THE Chief of Army Staff, Major General Sanni Abacha, is unhappy at the rate of fuel consumption within the Nigerian Army.

Said he: "The high rate of fuel consumption in the army far exceeds realities."

Major General Abacha made the observation in Benin yesterday in an address he presented at warrant officers training week held at the Army School of Supply and Transport, Ugbowo.

He said he was sure that mishandling of vehicles and possibly pilferages were the causes of the high volume of fuel consumption adding this could be avoided if warrant officers could take pains to do a thorough supervision of

their men at all times.

Stressing the importance of Army School of Supply and Transport, Major General Abacha said that for any army to sustain its fire power and mobility in war, there must be a thoroughly reliable distribution network for ammunition, fuel, food and other vital combat stores to battle areas in the face of hostile enemy action.

He said that training was a prerequisite for any army that aspires to "bleed less in time of war."

He said: "conscious of this universally agreed maxim, the Nigerian Army has made it a

matter of deliberate policy to accord training a high priority to equip its rank and file with the necessary knowledge and skills to enhance the performance of their duties."

He said the Army School of Supply and Transport must take training very seriously in order to play its role properly in the army.

In his speech the director of Supply and Transport, Brigadier S. A. Ikya, remarked that warrant officers formed the foundation on which the army is built.

He, therefore, urged them to ensure that there was discipline within the rank and file.

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CSO: 3400/713

INTERNAL AFFAIRS MINISTRY FUNCTIONING AT ABUJA

Enugu DAILY STAR in English 11 Dec 86 p 16

[Text]

THE Minister of Internal Affairs, Col John Shagaya, said in Abuja that the ministry was now fully functional at the Federal Capital Territory.

He said at the second ministerial press briefing that for the past one week all the directors and heads of departments, with their supporting staff including himself, had been operating in Abuja.

In answer to a question, he said: "Whether both the office and residential accommodation are temporary or permanent, my ministry is now operating from the new capital pending the completion of all permanent structures."

The minister said that the Customs and Excise Department generated a total of N2.4 billion between January and

September of the N2.9 billion expected from the department this year, adding that the target would be achieved or exceeded in spite of the abolition of the 30 per cent import levy.

Col Shagaya said that between January and October this year, 94 hard drug seizures valued at N30 million were made at Murtala Muhammed International Airport.

He said that smuggling was on the decline with 756 seizures involving 226 suspects between January and August this year as against 1,040 seizures involving 336 suspects within the same period last year.

Col Shagaya said that 23 officials of the department had been suspended for their alleged involvement in smuggling and that an investigation panel had been set up to determine the extent of their involvement.

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CSO: 3400/712

NLC'S CHIROMA ON NEED TO REFORM SFEM FUNDING

Lagos DAILY TIMES in English 8 Dec 86 p 5

[Article by Funmi Jolaoso]

[Text]

A DELEGATES conference takes place either bi-ennially, or tri-ennially, and it is the only forum at which workers and their leaders both elected and or appointed meet. It is also an occasion for questioning the activities of union officials and approving certain actions expected from the union.

One of such conferences was held last month by the National Union of Textile, Garment, and Tailoring Workers Union of Nigeria in Kaduna. As expected, various speakers spoke on the nation's economic policy, as it affects the workers standard of living. It was therefore not a surprise that the Second-tier Foreign Exchange Market (SFEM) was the focus.

The president of the Nigeria Labour Congress (NLC), Alhaji Ali Chiroma called for a change in the present method of funding SFEM. He contended that borrowing to run the market amounted to living beyond our means and getting more entangled in foreign debts. He said that the free market system had not been free to labour because labour has not been allowed to find its level.

The NLC president said that the nation's economists have continued to advise

government to allow market forces determine price by scrapping the price control aspect of the Price, Productivity and Incomes Board (PPIB) and urging government to retain the wages and collective bargaining control aspect of PPIB. "They want the government to hold the bull by the horns while they milk the cow". That was why the economic recovery programme had no provision for the welfare of workers", he argued.

Alhaji Chiroma recalled a report in the Nigerian Tribune of November 24, which revealed that the Federal Government had rejected the World Bank advice on the suspension of projects in Abuja and the abandonment of steel and petro-chemical projects in the nation's 1987 fiscal year.

He wondered how the World Bank that is supposed to help facilitate national recovery should give such advice. "It is a pity that until the World Bank declared Abuja, steel and petro-chemical projects as military targets, it did not dawn on our policy makers that an economic and political war was unleashed on Nigeria".

Alhaji Chiroma then commended the action of

the Federal Government and urged workers to support the preservation of sovereignty and integrity of the nation. He reiterated that the NLC's opposition to the IMF conditions was because the congress viewed it as a form of economic colonisation.

Chiroma's keynote address was followed by fraternal messages from other unions. The Medical and Health Union, noted that trade unions need to invest more in education so that a worker would be able to know when his rights are infringed. The union noted that it was unfortunate that while workers produced more as evident in huge profits, workers earn less, while the prices of goods and services rose beyond the pay packets of workers.

The representative of the National Union of Chemical and Non-metallurgical Product Workers, Kaduna State branch, Mr. Audu Brown criticised the flamboyant lifestyle of trade unionists. "Unionists should not line their pockets with money and claim to fight the cause of workers."

Labour he said, cannot afford to be indifferent to the nation's economic policy. "Labour must check the nation's leaders in respect of our economy".

Brown also told delegates that affiliates of the NLC had not been living up to expectation in supporting the NLC leadership.

Speaking in the same tone, Mr. Mustapha Zarna, chairman of the care-taker committee of the Kaduna State NLC advised trade unionists to stop perpetuating tribalism and nepotism within the labour movement to enable them enhance the welfare of workers.

He said it was a pity that some unionists go to negotiation tables to agree to retrenchment of workers. Zarna said "there are no cowards in the NLC." His remark was greeted with applause.

In his fraternal message, the executive secretary of the Nigeria Textile, Garment and Tailoring Employers Association, Mr. Victor Eburajolo, commended the leadership of the Textile Workers Union for its maturity in handling industrial relations. "Since the restructuring of trade unions, there has never been a general strike in the textile industry, because the union leaders have been understanding" said Eburajolo. He advised the Federal Government to take stringent measures to stop retrenchment.

In his address, the secretary of the International Garment Workers Union of the United States of America, Mr. Norman Lewis said that workers, all over the world should see themselves as one. He said the textile industry in the United States which had 18,000 workers about a decade ago now has 4,000 workers.

He said importation of textile materials into the United States from other countries had cost the US-based textile industry her earnings. Mr. Norman said workers in the industry had tried to make the US Congress regulate imports without success. The bill he said was to help workers keep their jobs and enable the industry survive.

The union national executive report, read by its general secretary, Mr. Adams Aliyu Oshiomhole, listed the union's achievement as the abolition of Saturday work on the basis of five-day-40-hour working week without loss of pay. The union also persuaded employers to pay gratuity to employees who were dismissed on grounds of absenteeism.

Mr. Oshiomhole also told delegates that the union has succeeded in making

employers that record huge profits pay bonus and incentives to workers.

Mr. Adams Oshiomhole, who led the congress's delegation to present labour's views about the 1987 budget said he told the Presidential Advisory Committee (PAC) which received labour's views on behalf of the Federal Government that industries should be compelled to re-invest their profits. "Most industries do not re-invest, but maximise profit by producing less and selling at high prices."

He said the high cost of living should make workers demand cost of living allowance (COLA) since the government has pegged wage increases but gave room for increase in fringe benefits. "Labour creates wealth but does not control it," he noted.

On the activities of the NLC, Mr. Adams Oshiomhole said it was a fact that the congress was not united. He warned that this does not mean that it cannot mobilise a nationwide strike whenever the need arises. "Unity is not an end in itself, it is a myth to sustain an end", he said.

/13046

CSO: 3400/715

SPARE PART PRODUCTION AT AJAOKUTA STEEL MILL

Lagos DAILY TIMES in English 20 Nov 86 pp 1, 13

[Article by Raheem Mohammed]

[Text] **M**ANY companies have now turned to Ajaokuta Steel Complex for the procurement of spare parts for their machines.

The companies are:

- Peugeot Automobile of Nigeria Limited (PAN) for the production of several tonnes of brake drums.

- Nigeria Tobacco Company for more than N1.5 million worth of spare parts.

- Ukpilla Cement Factory for several tonnes of machine studs and

- Tate and Lyle also for spare parts said to be worth millions of naira.

The general manager of the steel complex, Alhaji Magaji Inuwa, disclosed this in Ajaokuta on Sunday.

The general manager said the orders were sequel to the establishment of the mechanical repair shop within the steel complex.

Apart from providing

the essential spare parts for various companies in the country, the repair shop is also capable of operating and maintaining its facilities with very little outside assistance.

The repair shop is essentially to carry out centralised repairs of mechanical and electrical equipment and to manufacture spare parts, tools and steel fabricated structures.

Alhaji Inuwa expressed the hope that when the repair shop was fully operational, the mechanical repair workshop would have the capacity to produce about 11,200 tonnes of castings, machine parts and steel fabricated structures.

The complex is designed to meet about 67 per cent of the steel plant's total spare parts and consumable requirements.

Another section of the repair complex is the power equipment repair shop capable of handling up to 15,000 electrical machines (electrical motors of up to 800 kilowatts and transformers of up to 1600 KVA) yearly.

The repair workshop would require a work force of up to 1,670.

The general manager also disclosed that 71 per cent of work on the first stage of the project has been completed.

The first stage is to produce 1.3 million tonnes yearly of "long products" while the second stage will produce 2.6 million tonnes out of which 1.3 million tonnes would be for flat products only.

The third stage will extend to 5.2 million tonnes yearly to turn out various types of finished and semi-finished steel products, including heavy plates and sections and such products that might be dictated by the market situation.

The advantages of the repair shop are rapid acquisition of technology for rapid industrial development of the nation, conserving the scarce foreign exchange for other capital investments, increasing the economic lives of our plants and machineries and development of engineering skills.

/13046

CSO: 3400/712

COLLEGE GRADUATE UNEMPLOYMENT ON INCREASE

Lagos BUSINESS TIMES in English 17 Nov 86 p 24

[Article by Dapo Ajibola]

[Text]

The number of unemployed graduates registered in Nigeria, according to the Employment Services Department of Federal Ministry of Employment Labour and Productivity, increased by 5.2 per cent in May this year.

Reports from the professional and executive registries of the department all over the country indicated 3,132 unemployed graduates for the month of May as against the total of 2,978 carried over from April.

The professional and technical group led with 792 followed by architects and engineers, with 599 while accountants had 472.

The registry in Ibadan recorded the highest figure of 1,814 applicants in the life register. Of this figure 364 are accountants, 461 architects and engineers, 101 medical, dental and veterinary, 307 government administrators, 52 managers, 73 life

scientists, seven physical scientists, 19 statisticians, 22 sculptors, 18 journalists, five jurists, 23 teachers and 362 other professionals.

Kaduna registry followed with 338 having a breakdown of 53 architects and engineers, 22 medical, dental and veterinary, 27 accountants, 31 government administrators, seven managers, 14 teachers, 15 life scientists, 157 other professionals, six journalists, three physical scientists and one statistician.

Lagos registry came third with 272, some of those registered were 42 architects and engineers, 25 accountants, 10 statisticians, 11 teachers, 12 life scientists, 81 managers, 23 government administrators, four physical scientists, 53 professionals and three medical, dental and veterinary.

From Benin and Warri registries were recorded 48 applicants of which five were architects and engineers, five life scientists, six teachers and 30 other professionals.

Bauchi registry had 38 registered with 11 architects and engineers, five teachers one from the

medical, dental and veterinary group, seven government administrators and four other professionals.

The increase in unemployment in these classes of professions is ascribed to the continued economic recession coupled with the retrenchment exercise of the last few years which continued to the first half of 1986.

While unemployment remained a serious problem confronting the economy only limited vacancies were declared in the registries.

A total of 165 vacancies were brought forward from the month of April while 43 were notified in May. Out of the total 208 vacancies only 12 were filled.

From the above figures and contrary to popular belief that unemployment is prevalent among unskilled labour and ill-equipped persons, only, it could be seen that unemployment has gradually found its way into the classes of those possessing requisite skills.

ABU VICE CHANCELLOR ON MEASURES TO PREVENT CAMPUS DISCORD

Lagos THE AFRICAN GUARDIAN in English 27 Nov 86 p 42

[Interview with Professor Adamu Mohammed, Vice Chancellor of Ahmadu Bello University by Richard Umaru; date and place not specified]

[Text]

The African Guardian: A result of last May's crisis, the government White Paper on the Abisoye Commission's report directed that certain reforms be carried out at the ABU to avert future re-occurrence of the tragic crisis. Since your arrival here what specific measures have been taken in that direction?

Mohammed: The white paper recommended a number of things. Specifically it recommended the creation of the office of Dean of Students' Affairs. That is a very significant recommendation which we have implemented. As you know, the Ahmadu Bello University has never had the office of the Dean of Students Affairs as such. There was an attempt in the mid-70s, I think, to create such an office, but it did not really work properly. So, what we have done now is to appoint a Dean of Students' Affairs, and under him you have Accommodation Officer, counselling section, scholarship section and so on. There are about eight sections altogether. This office is directly under the Vice-Chancellor. To make them work more efficiently, we have arranged that they will be financially autonomous, subject of course, to accountability.

There is in addition to this what we call a university Students' Welfare Board of which the Dean of Students' Affairs is the chairman. This board is made up of all the Deans of Faculties, all the Hall Administrators, all the Hall Advisers and Security Officers, the Director of Works and of course, the students. So,

the board is very powerful. Apart from that, the board is made up of what we call the Dean, Students' Advisory Committee. The composition of that committee at that level consists of the Dean, the Faculty Adviser who is a staff, and the students' representatives. So that problems from the grassroots come to the university-wide Students Welfare

Board where the Dean is sitting so that he can bring all the problems from the grassroots to the main body. We feel that with these arrangements, communication is enhanced because everybody is involved.

Are you going to lift the suspension order on the Students' Union?

Well, the government White Paper banned students unionism in the country for the rest of the last session. It said this can be resumed when the university councils are satisfied that it can be resumed. So, that is the position. Anytime that the university council feels that students unionism can be permitted to resume, we shall lift the suspension.

Some teaching staff were said to be teaching things they were not paid to teach and were recommended for disciplinary action by the Abisoye Commission. Are you thinking of doing something in this direction?

No. No. I think, if I remember correctly, on that recommendation, the government set up the Akanbi Commission to look further into that. That is one of their terms of reference. So, as far as I am concerned, that recommendation does not concern me because we have our own ways of getting

rid of people who are not doing their work and rewarding people who are doing their work.

You have carried out a series of administrative reorganizations since you took office here. What is the philosophy behind these changes that you have carried out?

It is not just change for change's sake at all. I looked at every Curriculum Vitae. I called for the situation report throughout the university. I made the appointments of Heads of Department in the light of what I had seen. I have appointed people whom I believe are academically sound, to head departments. They also are administratively sound. I expect them to hold departmental meetings and I expect them to show me the minutes of such meetings so that we can see what is happening in the departments. What we are trying to do is to appoint people who are acceptable to the departments because this is very important.

What are you doing to arrest the problem of shortage and outflow of academic staff in the university?

Staff are leaving because of the economic situation. The 25 per cent of their salary they are allowed to transmit, they cannot transmit because of certain problems with the banks and so on. Now we have the Second-tier Foreign Exchange Market, which has made the problem worse.

But the only thing to do is to step up

our post-graduate training and staff development programmes in order to have our own people who will replace mobile academic staff, foreign academic staff. And we have been doing a lot in this respect.

What is your ideal university? What would you like ABU ideally to be? What would you like to be remembered for when you finally leave the ABU as one of its vice-chancellors?

A university is a centre of learning. I want to promote the cause of academics in the university. By that I mean that I want to give the facilities to the staff so that they can perform academically, to produce the needed manpower. The leadership I want to give is leadership by example. If my subordinates do not live as I live and perform as I do, then of course, they would have no place in my heart.

And I want to reward academics for their achievements and to punish those who do not work hard and do not produce anything. This basically is my philosophy. I want to improve communication between staff and students and of course, I want to encourage peace. My administration is open. There is nothing to hide. We believe in the committee system. Through discussions a lot of problems can be solved. I do not believe that Vice-Chancellorship is a throne. We would do our best and leave the rest to posterity.

/13046

CSO: 3400/720

NIGERIA

BRIEFS

BABANGIDA ENCOURAGES FOREIGN INVESTMENTS--Foreign investors should feel free to come to Nigeria now that the business climate and incentives have been made favourable, President Ibrahim Babangida urged in Lagos yesterday. He told investors to regard the current economic difficulties in the country as a 'passing phase' in our march towards industrialisation. President Babangida said government had great faith in the potentials of the country. It was this faith, he said, that made government fashion out an adjustment programme aimed at removing identified impediments in the way to agricultural, industrial and commercial development. Mr. President extended the 'special invitation to foreign businessmen yesterday, in his speech read at the opening ceremony of the Sixth Lagos International Trade Fair, which ends next Sunday. Chief of General Staff, Rear Admiral Augustus Aikhomu, read the President's speech at the Tafawa Balewa Square, Lagos, venue of the fair. The President reviewed the current adjustment programme and said it was yielding desired results. "Already, there are signs that our policies are beginning to work. I therefore call on all our foreign friends to seize the initiative by investing in a vast and virile economy." President Babangida said as from next year, all international trade fairs will be staged at the international Trade Fair. [Text] [Lagos SUNDAY TIMES in English 9 Nov 86 p 24] /13046

UNEMPLOYMENT SOARS--Unemployment rate in Nigeria rose by 11.7 per cent in the first half of 1986, compared with the same period in 1985, according to the Central Bank of Nigeria half year report. The CBN also revealed that the employment exchanges recorded 33,160 persons, who belong to the lower grade working group as jobless. Although, job vacancies declared, rose by 25.8 per cent, only 2.2 per cent of registered job-seekers secured jobs through the various employment exchanges. The CBN stated that the Federal Office of Statistics in its March 1986 report, revealed that unemployment rate in the urban areas was 9.1 per cent and rural areas at 5.6 per cent. Industrial relations was also reported to have worsened in the first half of the year. During the period, 65 trade disputes were declared as against 18 of the same period in 1985. The CBN revealed that 40 out of the 65 trade disputes declared resulted in strikes, "carrying a loss of 193,322 man-hours." [Text] Lagos DAILY TIMES in English 15 Nov 86 p 24] /13046

ROAD TO STEEL PLANT IN DISREPAIR--The Ude Road leading to the Delta Steel Company (DSC) Limited, Ovwian-Aladja, near Warri in Bendel State is now in a

serious state of disrepair. Investigations by the Daily Times showed that unless something urgent was done, the steel plant might be cut-off entirely from this important access road. Little had been done by the state government to rehabilitate the road it was commissioned in 1976. It was gathered that DSC had been maintaining the road until recently when the economic down turn which affected the government subvention to parastatals made the company to abandon the periodic maintenance of the road. The road, which is now in a deplorable state serves Ughelli Ethiope and Warri local government areas. The road has a heavy traffic because of the Delta Steel products which customers convey to various destinations in the country through the road. Because of the state of the road, business in the area has slowed down considerably as the movement of taxi and buses have reduced. Those who risk the bad road charge more than the normal fare. [Text] [Lagos DAILY TIMES in English 13 Dec 86 p 3] /13046

AID TO EQUATORIAL GUINEA--The Federal Government has donated goods valued at more than 5 million US dollars to the government of Equatorial Guinea to help it host the Economic and Customs Union of African States' conference. Three Nigerian Air Force C130 planes started the air lifting of the materials yesterday to Malabo. A high-powered delegation from Equatorial Guinea recently called on President Ibrahim Babangida to seek Nigeria's support and assistance in the country's development efforts. [Text] [Lagos DAILY TIMES in English 3 Dec 86 p 3] /13046

TECHNOLOGY INSTITUTE FOR AJAOKUTA--A Federal Institute of Steel Technology is to be established in the country. The institute, which will have its headquarters in Ajaokuta, would also have a campus at Onitsha. Sources close to the Federal Ministry of Mines, Power and Steel said that the Metallurgical Training Institute, built with more than N44 million in Ajaokuta, will serve as the headquarters. The Metallurgical Training Institute in Onitsha would become a campus of the institute. The source explained that the idea of the institute was engineered by Professor Tam David-West when he was mines and power minister. According to the source, the institute is to be autonomous with a director-general on level 17 with six other supporting staff on level 16. The school would equally have an independent body for its management. The source also disclosed that the institute's headquarters had requested for N12 million to enable the school take off early next year. [Text] [Lagos DAILY TIMES in English 24 Nov 86 p 1] /13046

INSPECTOR GENERAL ASSURES ENVOYS--The Inspector General of Police, Alhaji Muhammadu Gambo, yesterday in Lagos assured members of the diplomatic community of adequate police protection of their lives and property while in the country. Welcoming representatives of the diplomatic corps in his office, Alhaji Gambo said that the police had [source illegible] up the challenge of guaranteeing peace and security to all citizens in the country. Responding, the dean of the diplomatic corps and Senegalese ambassador to Nigeria, Mr. Saloum Kande, assured the Inspector General of the willingness of the diplomats to assist the Police in performing its functions and called for a regular meeting of the police and the diplomats to enable them to identify areas of common interests. The representatives of the diplomatic corps were at the Inspector General's office at the invitation of the police boss. The Inspector General and the diplomats later went into a close-door session. [Text] [Lagos DAILY TIMES in English 26 Nov 86 p 9] /13046

INFORMATION MINISTER ON BULGARIAN TIES--Information and Culture Minister, Mr. Tony Momoh on Monday in Lagos called for stronger ties between Nigeria and the peoples Republic of Bulgaria to sustain their existing bilateral relations. In a speech at the opening of a week-long Bulgarian photographic and film exhibition, he said that the event was another milestone in the "very cordial bilateral relations between the two countries". He said that he was proud that his ministry was "an active participant in the implementation of many programmes in these bilateral relations." [Text] [Lagos DAILY TIMES in English 10 Dec 86 p 3] /13046

NEW GUIDELINES TO BOOST EXPORT--The Federal Government has formulated new economic guidelines aimed at making Nigeria an export-oriented nation. The new strategy is known as "Micro-economic frame work" This was announced yesterday in Lagos, by the Minister of National Planning, Dr. Kalu Idika Kalu, at a conference organised by the Faculty of Social Sciences, University of Lagos. Dr. Kalu explained that the sharp fall in oil prices in the first quarter of this year increased the urg- [source illegible] reform. [Source illegible] places emphasis on reducing the size of the public sector to improve its efficiency. There would also be removals towards a more market-oriented financial policy to facilitate savings and encourage more of efficient allocation of financial resources, the minister further explained. In pursuance of the programme, the minister stressed that the government would rely on private initiative and profit motive. In this direction, the government plans to rationalize and privatize a number of enterprises. [Text] [Lagos DAILY TIMES in English 9 Dec 86 p 1] /13046

JOURNALISTS IN MOSCOW--Three Nigerian journalists arrived in Moscow on Wednesday to attend a three-month advance course in journalism and international relations, the Moscow correspondent of the News Agency of Nigeria (NAN) reports. The course, the first of its kind, is organised by Soviet media agencies to help journalists from developing countries acquire new experience in the profession. The three journalists, Messrs Abdullahi Adamu (NAN), Joe Abiola (Sketch) Laleh Ibrahim (NTA), will be joining professional colleagues from Tanzania, Ghana, Ethiopia, Zimbabwe and SWAPO for the course. Two other Nigerian journalists are being expected. [Text] [Enugu DAILY STAR in English 6 Dec 86 p 7] /13046

SOVIET CULTURAL AGREEMENT--Lagos, 16 Dec (NAN)--Nigeria's Information and Culture Minister Tony Momoh Monday re-affirmed Nigeria's commitment to the strengthening of the cordial relations with the Soviet Union. Signing a formal agreement for cultural and educational cooperation between the two countries in Lagos, Mr Momoh said the ceremony marked another milestone in "the ever growing friendship and understanding between Nigeria and the USSR." The cultural linkage, he said, draws its strength from the basic cultural and educational agreement formalised in 1970. [Text] [Belgrade TANJUG in English 1529 GMT 16 Dec 86] /9604

CSO: 3400/710

ENERGY, FUEL SHORTAGES REMAIN KEY PROBLEMS

London AFRICAN CONCORD in English 20 Nov 86 p 16

[Article by Samadu Sesay and Feyi Ogunade]

[Text]

For the past five years frequent power cuts have hit Sierre Leone so badly that many manufacturing industries are grinding to a halt. "We have had one week's supply of electricity in the last three months and we can't go on like this," one worried manufacturer told *African Concord*.

President Joseph Momoh, in his inaugural speech earlier this year, promised speedy action to solve the energy crisis. But the situation has got worse because of a lack of foreign exchange to import fuel. Inefficient management and corruption at the National Power Authority has not helped.

The weekly tabloid, *Weekend Spark*, recently carried a cartoon showing NPA officials rolling drums of fuel oil away while local people suffered from blackouts and rotten food. And in an editorial the *Newshaft* newspaper called for an immediate enquiry into the alleged fuel thefts. The NPA general manager was subsequently sacked.

The fuel shortage has contributed to the country's rocketing inflation. Transport costs have more than quadrupled in the last six months, affecting prices of other goods and services. The recent IMF-pressured floating of the Leone has simply made a bad situation worse. Petrol, which was selling at Le7.00 a gallon six months ago now sells at Le35.00 and up to Le100.00 on the black market. But high fuel prices have not reduced the length of the queues at petrol stations. If anything, the queues have become longer.

Though official statistics about energy consumption are not reliable, the Ministry

of Energy and Power estimates that the national energy requirement is 1.37 million metric tons of coal equivalent annually. At the moment, this is satisfied mostly by imported crude oil and fuel wood (firewood and charcoal), with fuel wood contributing over 70 per cent. But the steady depletion of the surrounding forests, especially in the western area threatens the local ecology and wildlife.

Re-afforestation measures are slow to be enforced and a serious firewood scarcity is now imminent.

Recently though, the United Nations financed a "fuelwood amelioration project" for the western areas planting 500 hectares of fuel wood plantations.

A major development in government efforts to tackle the energy crisis has been the launching of the low-fuel coal pot designed to consume a minimum amount of firewood and charcoal. This collaborative project between Njala University College and French technical co-operation has resulted in the coal pot becoming 50 per cent more fuel efficient.

The Government is also seeking alternative sources of energy. Bio-gas technology, which, involves transforming agricultural waste to fuel gas and fertiliser is slowly being tested in rural areas. The German Government, the United Methodist Church and Plan International have developed many of these projects. "I consider a bio-gas system as the primary prerequisite for an integrated agricultural system, especially with more funding from government," says Sullay Kamara, an energy consultant.

Private organisations and institutions have chipped in with research into the use of photovoltaic-powered villages for radio-telephone systems and the high cost organic waste recycling systems. Meanwhile the government forges on with its expensive hydro-electric projects. Such persistence recently paid off with the commissioning of the Chinese-built Goma Hydro-Electric Station at Goma about 250 miles east of Freetown. The station will provide constant electricity supply to the eastern capital, Kenema and eight other towns. A transmission line is under construction to take the hydro-electric power to the southern capital of Bo. President Momoh predicted that more hydro-electric projects would spread all over the country to "eventually develop the national economy and greatly improve living conditions generally."

But the larger Bumbuna Hydro-Electric Project has suffered one setback after another. Already US\$40 million has been spent and more funds are urgently being sought to complete the scheme which experts say, should be able to supply the whole country. But the Italian-financed project continues to be plagued with shoddy workmanship and mismanagement.

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CSO: 3400/720

UGANDA

BRIEFS

300 KENYANS EXPELLED--More than 300 Kenyans have been expelled from Uganda in the past few days following a round-up of illegal immigrants. Taken hastily to the Busa border post, they apparently were not even given time to take their possessions with them. In mid-September the Kenyan authorities arrested some 600 Ugandans in the town of Kisumu, some of whom were sent back across the border. Relations between Nairobi and Kampala seem to be tinged with suspicion in spite of official denials since the visit to Uganda of Libyan leader Muammar Kadhafi, which greatly displeased the Kenyan government. [Text] [Paris INDIAN OCEAN NEWSLETTER in English 13 Dec 86 p 2] /9317

CSO: 3400/724

DISPLACED MOZAMBIicans SUCCEED IN FARMING

Harare THE SUNDAY MAIL in English 28 Dec 86 p 5

[Article by Elliot Chiriseri]

[Text]

MOZAMBICAN displaced persons living in Tongogara Camp in the Save Valley area of Manicaland are undertaking some very successful vegetable growing ventures.

This was revealed to The Sunday Mail by the Harare office of the Lutheran World Federation, a Christian donor agency which has been giving agricultural inputs and technical support to the displaced persons in the camp.

The agency's head of department for agriculture, water and co-operative development, Ode Munetsi Pswarayi, said vegetable growing in the camp has been successful to the extent that the residents had more than six months' supply of vegetables in addition to growing green maize and wheat.

Ode Pswarayi said: "It's a joy to work with them. They are doing a marvellous job, and we've had no problems with them."

The agency sent in its first representative to the camp in December last year. "When we got there, we started by having meetings with the camp administration officials.

"Next we talked to the displaced persons themselves, to find out their needs, hopes and aspirations." The agency personnel wanted to specifically find out what type of agriculture the displaced persons practised in their home country and the crops they grew.

The response from the displaced persons suggested that one immediate need was that of vegetables.

The displaced persons were then trained in irrigation canal construction. Oxfam US, gave them training in casting blocks used in the canal construction. The Lutheran World Federation's project to as-

sist the displaced people in vegetable growing started with a 30 ha plot of land under irrigation.

The LWF helped organise the displaced people into agricultural committees "We have adopted the master-farmer concept," said Ode Pswarayi. This is in the form of selecting a few Mozambicans, develop their leadership skills and then train them in farming using the Agritex syllabus.

These Mozambican "master farmers" have demonstration plots where they impart the knowledge they have gained from training to their own people with back-up from the LWF.

Tongogara is the biggest camp for displaced Mozambicans in Zimbabwe with nearly 15 000 inmates. Ode Pswarayi emphasised that: "We are trying to develop a system where the place is self-reliant in food."

He said the agency is planning to introduce cattle in the camp so that the Mozambicans are trained in cattle management practices, such as managing grazing, dipping, etc.

Some selected Mozambicans from the same camp have received instruction at the Institute of Agricultural Engineering in Harare in such things as maintaining tractors and servicing other farming implements.

Asked whether the LWF is going to stay indefinitely in the camp assisting Mozambicans, Ode Pswarayi said: "We cannot guarantee an indefinite flow of resources from our side." During the past year the LWF spent about US\$150 000 at Tongogara and other camps.

The World Food Programme provides food to the camp and other camps elsewhere. Other donor agencies are also carrying several programmes concerned with assisting refugees in other camps where displaced people are housed.

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CSO: 3400/723

FERTILIZER EXPORT ORDER FOR ZAMBIA UNDER WAY

Harare THE HERALD in English 29 Dec 86 p 5

[Text]

ZIMBABWE is exporting \$2,5 million worth of fertiliser to Zambia for that country's tobacco crop.

The Zambians asked for an urgent supply of 4 000 tonnes of Compound C and 2 000 tonnes of Compound V which are in short supply. The fertiliser will be supplied jointly by Zimbabwe Fertiliser Company and Windmill.

The contract was negotiated between ZFC and a procurement team from Zambia's Namboard led by Major General Charles Nyirenda. Namboard, Zambia's National Agricultural Marketing Board, is a parastatal similar to Zimbabwe's Grain Marketing Board, but with additional responsibilities such as the procurement of fertiliser.

A spokesman for the ZFC, Cde Bobby Hunda, said that the ZFC was pleased to help a friendly neighbour in a crisis and hoped that the fertiliser would be in time for Zambia's tobacco crop.

Cde Hunda, who is the plant superintendent at ZFC's Aspindale factory, said that his company would co-ordinate the dispatch of the order and anticipated doing so without any problems. He said with his company's booking system, each truck would be allocated a loading time based on an estimated time of arrival in Harare as it will ensure that the transport operators will not be delayed.

The first load of fertiliser left Aspindale last Monday. The project was funded by Norad, the Norwegian aid organisation.

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CSO: 3400/723

BUSINESSMEN FIND ZAIRE DIFFICULT MARKET

Harare THE FINANCIAL GAZETTE in English 12 Dec 86 p 31

[Text]

ZIMBABWEAN exporters are trying to overcome the main obstacles preventing a smooth penetration of the Zairean market which has been described as "unsophisticated". Businessmen contacted by the *Gazette* this week reported that progress was being made, although it was a long and slow process.

A report for the ZNCC by Imani Development in April this year noted that lack of knowledge and awareness of Zimbabwe's supply capabilities was complicating efforts to penetrate the market. In addition, other problems such as poor transport and communication links and language barriers, were cited as "the most problematic obstacles to a substantial increase in exports to Zaire."

The general manager (sales and marketing) of Trinidad Asphalt, Mr LF van de Kaars, said that the company had "various" orders from businessmen in the Shaba province, of which five are pending worth about \$80 000. Additional orders were being negotiated with one of the biggest mining companies, and the electricity commission of that province.

The main problem, Mr van de Kaars told the *Gazette*, was communication lines between Zimbabwe and Zaire. He said it was a "chicken and egg situation, because you have to travel very regularly (to Zaire) and be around at that magic moment when businessmen are allocated foreign currency and start giving orders to suppliers," he said.

TRANSLATIONS

A company spokesman for Agricor, suppliers of agrochemicals and stockfeeds, said that

his company has had some substantial orders, especially for dog feed. The language barrier was, however, restricting effective communication to the extent that even things such as proforma invoices had to be translated from French into English.

Asked if his company had considered appointing an agent in Zaire to handle business transactions, the spokesman said that the idea has been mooted, "but the whole group is going through a restructuring exercise to accommodate a different style of export marketing."

Agricultural equipment suppliers, Zimbabwe Farm Equipment, has been doing business with Zaire for the past 15 years, and the firm already has an agent, Sodimat SPRL. Business at the moment, a spokesman said, was lax, but it picks up periodically.

The managing director of Optimus Zimbabwe, manufacturers of paraffin lamps and cookers, Mr H Ellert, told the *Gazette* that although his company has managed to gain a foothold in the Shaba market, there was competition from South African suppliers.

"I don't agree that language is a major problem. The problem is competition from South Africa whose suppliers have flooded the Zairean market with their goods. The goods are cheaper and this is helped even more by the low rand.

"It is very difficult to counter this and the only possible solution is to try to compete with South African suppliers in terms of price, quality and efficient delivery times," said Mr Ellert.

MATABELELAND NORTH DESCRIBED AS ZANU-PF'S 'PROBLEM CHILD'

Gweru MOTO in English No 50 [no date] p 3

[Text]

IN 1982, the ZANU-PF leader, Prime Minister Robert Mugabe, described Matabeleland North Province as "the party's problem child".

The situation has not changed much after four years of organising and reorganising the party in the province, and the problem is still the same struggle for leadership.

The latest squabble erupted when seven party districts from Bulawayo alone passed a vote of no confidence in the provincial leadership of ZANU-PF Matabeleland North Province and sent a petition to the politburo castigating the leadership for disintegrating the party in the area.

The petition accused some of the leaders of not being interested in working for the party or in the party itself; of not being sure of the party's policies, and of being elected into office before they had become members of the party.

The only person exonerated in the scathing attack was the provincial party leader, Callistus Ndlovu, but this was not for long.

Things were sparked off by Ndlovu's sacking of the party's provincial publicity and information officer, Josiah Chidyamakono on October 4, two weeks after the revelation of the existence of the petition.

Chidyamakono was suspended for alleged anti-party activities, which he has since refuted. The following day three district officials from Luvuvu were arrested on the orders of Callistus Ndlovu because they had allegedly demonstrated against the incited party members to boycott a party meeting in Luvuvu. It turned out one of the people arrested had been out of town that weekend. After this incident, the cat was let out of the bag.

The districts decided "to tell it as it was". They accused Ndlovu of trying to run the party as a one-man affair and of organising the party on tribal lines.

They also scoffed at the charge by Ndlovu that the vote of no confidence was the work of a clique representing a "miserable minority", and accused Ndlovu of being arrogant when dealing with party members.

Although the Luvuvu party officials were released a day later without any charges being put against them, the debate began to take a sour turn, which is likely to put the party back to where it was around 1982.

Although Ndlovu's reign as chairman has been the longest so far in the province, this should not be construed to mean that things had dramatically changed within the province.

In fact, there can only be two explanations. When Ndlovu was elected chairman of the province in July 1984, only three months after leaving PF-ZAPU, there was no time for squabbles because everyone wanted unity to prevail as the party's historic second congress was only months away.

After the congress, everyone was busy preparing for the general elections which initially should have taken place in March but were postponed to June and July.

The blow came with the election results. ZANU-PF failed to win a single seat in Matabeleland. This was a shock to everyone because during the campaign, people — and probably the party's central committee, had been led to believe that ZANU-PF would win at least five of the 10 seats in the two provinces.

According to the petition by the Bulawayo districts, things seem to have been aggravated by the fact that the provincial leadership never called a meeting to discuss why the party had lost so dismally.

This led to the accusations that the leadership was not interested in the party but in their own interests.

Although there were tribal implications, as has been the case since the party was established in Matabeleland, these are usually used by people who will ultimately gain out of them.

According to sources, the people who were being asked to leave the provincial leadership are both Shona and Ndebele and these included all officials who appeared or are to appear in court for one misdemeanor or another.

The other argument seems to be that in their quest to balance tribally the number of people holding top posts in the province, the leaders are not following the party policy or promoting one from the cell, branch, district and then province.

For die-hard party supporters, the election of Callistus Ndlovu from nowhere to provincial chairman was enough. If other Ndebele had to attain high posts, they had to go through normal channels.

While it is logical that since the Ndebele are the majority in Matabeleland the leadership of the party should therefore be Ndebele, the plain truth is that most of the Ndebele speaking people still belong to PF-ZAPU. Putting a Ndebele person in charge does not lure more members.

Herbert Ushewokunze, considered to be one of the toughest politicians within the party, was in 1982 forced to leave the post of chairmanship after six months. Perhaps what he said is still true today.

In his letter of resignation, he said "Time has come for me to relinquish my duties and to thank all the Matabeleland ZANU-PF members and supporters for the confidence they showed me by asking me to lead them during a period of rehabilitation from the effects of reactionary pressures which had been brought to bear on them.

"These pressures are now upon me and the prize appears to be my skull. I shall, therefore, bow out of the ZANU-PF leadership in Matabeleland North to assuage the blood thirst of those climbing all over me for the leadership."

With the unity talks reported to be at an advanced stage, perhaps it is only a united party that will solve the problems of Matabeleland, otherwise, as Prime Minister Robert Mugabe said in 1982, there will always be "lost children" in the region. □

CSO: 3400/729
/9317

TELECOMMUNICATIONS LINKS FOR EASTERN RAIL SYSTEM

Harare THE FINANCIAL GAZETTE in English 12 Dec 86 p 7

[Text]

THE GENERAL manager of the NRZ, Mr J R Avery, and Mr Otto Meijer, sales manager (Africa) of NKF Kabel BV of the Netherlands, recently signed a contract for the provision of optical fibre telecommunication links on the Harare to Mutare section of the railway system.

The agreement also includes four local telecommunication links in the Bulawayo area to interconnect the recently acquired NRZ modern digital telephone exchanges in that locality.

The contract, worth \$3,2 million, is being funded by the Netherlands government under a loan agreement with the Zimbabwe Government.

According to an NRZ spokeswoman, the optical fibre cable installation between Harare and Mutare will be strung on the existing NRZ open wire telephone route which runs alongside the railway line for a total distance of 269km, making this the longest such link in

Zimbabwe and the first railway optical fibre project in Africa.

"This communication link is expected to provide the Harare to Mutare section of the railway system with a reliable, high capacity telecommunication link which is of significant importance at this time when the Beira Corridor proposals have assumed prominence," the spokeswoman said.

"The fibre optic cable systems, which are immune to interference from 25 KV ac railway electrification, will provide a sound foundation for the day-to-day communication requirement within the NRZ Bulawayo establishments and the Harare to Mutare section, and will contribute greatly to the upgrading of the NRZ data communication systems for high speed data transmission networks in keeping with current requirements on NRZ."

NKF Kabek BV is represented in Zimbabwe by Continental Cables (Pvt) Ltd of Harare.

/13046

CSO: 3400/722

BRIEFS

DEFENSE WORKERS GIVE TO CORRIDOR FUND--Workers in the Ministry of Defence have joined other Zimbabweans in donating money for the welfare of defence force troops guarding the Beira Corridor in Mozambique. The deputy secretary for defence (finance) in the ministry, Cde Charles Kuwaza, presented Major-General Jevan Maseko with \$533,21 for the defence forces welfare fund, during the ministry's staff Christmas party. Cde Kuwaza, who was standing in for secretary for defence, Cde James Chitauro, said the ministry had collected the money "for the boys in the bush in Mozambique" in just two days. Major-General Maseko said he thanked them on behalf of the army commander, the army as a whole and the air force "as we are all involved in Mozambique."--Ziana. [Text] [Harare THE HERALD in English 22 Dec 86 p 13] /13046

COOPERATION AGREEMENT WITH GABON--Zimbabwe and Gabon yesterday signed two bilateral agreements which will pave the way for a joint commission on trade, economic, technical and scientific co-operation between the two countries. The Minister of Finance, Economic Planning and Development, Cde Bernard Chidzero signed for Zimbabwe while the representative of the Gabonese President, Mr Ben Ali Bongo, signed for Gabon. Cde Chidzero said the signing of the two agreements paved the way for the setting up of a joint trade, economic, technical and scientific co-operation between Zimbabwe and Gabon. He hoped for an increase in the volume of trade between the two countries. This was the first government to government formal agreement signed between Zimbabwe and Gabon. "The other areas of cooperation contemplated are mining, industry, agriculture, energy, fisheries and wildlife," Cde Chidzero said. Drafts on air services and culture have already been exchanged between Zimbabwe and Gabon. Mr. Bongo said the signing heralded the expansion of bilateral relations between the two countries, adding that Gabon stood behind Zimbabwe in the face of threats by racist South Africa. [Text] [Harare THE HERALD in English 20 Dec 86 p 9] /13046

PAKISTANI SCHOLARSHIPS--The Pakistani ambassador to Zimbabwe, Mr Tayyab Siddiqui, this week announced plans by his country to offer nearly 1 000 scholarships in the economic, financial and technical sectors to Zimbabwe and other frontline states. Speaking at the Institute of Marketing Management's annual dinner in Harare, Mr Siddiqui said that the scholarships are part of Pakistan's five-year programme for technical assistance to African countries. The programme includes 650 scholarships for training in banking, railways, airlines, administration; 100 for training in agriculture,

agriculture, veterinary science, business management and commerce; 125 for medicine, pharmacy and engineering; and 50 senior fellowships for specialised training in agricultural research and related subjects. The modalities of the programme are still being worked out, Mr Siddiqui said, but it envisages "liberal economic assistance" for the frontline states, against an "unhealthy and undesirable economic dependence on South Africa". Towards this end, "pragmatic economic strategies" are required, said Mr Siddiqui.
[Text] [Harare THE FINANCIAL GAZETTE in English 19 Dec 86 p 5] /13046

CSO: 3400/722

JUSTICE MINISTER GIVES GOVERNMENT VIEWS ON DETAINEES, MANDELA

Cape Town LEADERSHIP in English Vol 5, No 6, 1986 pp 32, 34, 35

[Interview with Minister of Justice Kobie Coetsee by Martin Schneider; date and place not given]

[Text]

Courteous to the point that he appears put out if you decline repeated offers to dip into his toffee bowl, HJ "Kobie" Coetsee seems out of place in the National Party's cabinet. He is perhaps the quietest man to hold down a job which has traditionally propelled incumbents into the highest ranks of the party – or at least made them controversial figures. His predecessors were household names, revered by white nationalists and feared by black nationalists.

They were men like C R Swart who became South Africa's first State President, and John Vorster, who destroyed opposition in the Sixties and became such a dominant figure in his portfolio that the party caucus elected him prime minister though he was only 13th in rank of cabinet seniority. Another, though less illustrious, predecessor, J T "Jimmy" Kruger, left his mark with his infamous statement that the death in police custody of black consciousness leader Steve Biko, "leaves me cold".

Certainly, the Justice portfolio, which also includes responsibility for Prisons, has changed over the years. It has been stripped of its responsibility for Police, which now falls under the Ministry of Law and Order, the key department in government's implementation of the State of Emergency. Coetsee seems, by nature, to prefer to stay in the background, an even more anomalous position when you consider he is also the National Party's Free State leader.

Coetsee is an attorney who takes pride in his contribution to such developments as Small Claims Courts. More recently, he asked the Law Commission to investigate the feasibility of introducing a

bill of rights which, as this interview reveals, he envisages as a mechanism to protect group, rather than individual, rights.

In areas where his portfolio involves more controversial issues – court access to the thousands of detainees held under the State of Emergency, and the future of jailed ANC leader Nelson Mandela – Coetsee provides interesting insights into government thinking. He was interviewed by Martin Schneider.

Schneider: What do you understand by the term "justice"?

Coetsee: My concept of justice is the same as that the world over. Justice is a system of norms and standards acceptable to men in civilised and organised societies. It must be dispensed by an independent judiciary according to those norms and standards. It means, for example, that all citizens are equal before the law; that every citizen has equal access to the courts.

Does such a system exist in our country?

I feel that we have a system of justice in our country that rightfully entitles us to be part of the Western world's sense of justice.

How do you reconcile that belief with, for example, our systems of detention without trial and banning?

I'm very pleased that you asked me that question because even those affected by the current State of Emergency, even those affected by the internal security laws, even those affected by any other law in terms of which freedom is curbed, are entitled to be dealt with according to certain rules of common justice, of natural justice.

That means they may not be assaulted, they may not be ill-treated, they must be dealt with according to laid down rules and regulations and the people who are in power must follow those rules. This means that detainees may seek the assistance of our courts, as in every other country, if these rules are not followed by those in power. This is very well demonstrated by continuous applications to our courts in recent times in which the validity of even State of Emergency regulations, or at least some of them, were contested.

However, a detainee may be held for exceptionally long periods, and even indefinitely, without a charge being put to him in open court.

No, that isn't correct. Even under the State of Emergency, a large number of applications to the courts have been made applying for the release of people and some have been successful. This shows that people have access to the courts.

But the normal rules of "charge or release" within a reasonable time do not apply in our security legislation.

Yes, but they have access, they have access according to the peculiar rules that apply to their situation. A person arrested for a common law offence, doesn't have access by simply phoning a judge to come and hear his case.

But he knows that within a stipulated period he will be charged or released.

But the fact is that in a peculiar manner, or in a manner peculiar to their situation, security detainees do have access to the courts. People have successfully applied for their release. What is more, the names of detainees must be published after certain periods. In other words, they can't just vanish. There are

checks and balances built into the system. I maintain that people have access to our courts as a general rule. If they are detained in terms of security legislation, or under the State of Emergency, there are certain prohibitions. I concede that immediately, but as a general rule, people have access to our courts. I am sure you are not going to argue that the State of Emergency is the general rule, or that the number of people being detained under the Emergency represents the general rule.

We have had a State of Emergency virtually for this whole year, and since the Sixties we have had a security system based on detention without trial and banning.

These exceptions are acceptable and they are part of other systems as well. The Israelis have a similar situation, the British have had it. They've changed it from time to time. In India you have it. Another point which is too often overlooked is that we are making every effort to extend access to the courts. I think the development of Small Claims Courts is a vast success. The system is very popular and it shows that we are making it possible for every citizen to have his day in court. This supports my view that although we may have exceptions, the rule is that people must have access to our courts.

How many people are being held under the State of Emergency?

Well, a couple of thousand.

Do you mean 2 000?

No, it could be more.

Some analysts have put the figure as high as 20 000. Is that correct?

No, it varies. It's a flexible figure. No, it's not 20 000.

You couldn't be more precise?

No, it's a flexible figure. It varies from 6 000 to 7 000 plus.

Will these people be charged or released?

No charge will be put to them unless, after investigation, it is proved that they committed an offence.

Is this process taking place?

In many cases, detention is in the nature of preventive detention. Let me explain the philosophy behind this. In any country where you have a situation of reform, where the country is in transition, then it's possible that a government may have to make inroads into the liberties of individuals in order to ensure the success of reform. But I think another important point is that people we are detaining aren't necessarily simply legitimate community leaders.

We have had plenty of evidence that we are dealing with criminals who are using the political unrest for their own ends. In fact, one person who was recently sentenced in connection with a necklace murder was a hardened criminal with a long list of previous convictions for common law offences.

One of the problems with a state of emergency is that restrictions are imposed on the flow of information and on access to certain parts of the country. People don't really know what is happening. For example, one hears stories of security force excesses and that culprits are dealt with mainly through departmental or "internal" trials. Is that true?

No. We've had some trials in the Eastern Province where allegations were properly investigated by the Attorney General himself, and there was a conviction very recently. Previously, of course, we've seen prosecutions of policemen who committed offences which were not permissible in terms of their code of conduct. Regarding the question of internal trials, these are normal in police forces and other services everywhere.

Even if a case goes to court, there is always an internal hearing particularly in cases where there is no clear criminal offence and where administrative, disciplinary proceedings are required. We also have to deal with black-on-black violence, violence by black thugs on honourable black citizens. And here again, doing an excellent job as protectors of the peace, the security forces have to act according to particular rules and regulations, otherwise there may be prosecutions. I give the assurance that when offences come to the notice of any prosecuting officer, he will prosecute if codes of conduct are broken.

As the Minister responsible for prisons, you have in your charge the African National Congress leader, Nelson Mandela. Have you ever met him and, if so, what was the purpose of your meeting?

Yes, I have met him, but the nature of our meeting is confidential.

Why did you meet him?

I have a function as the Minister responsible for prisons to relate to any prisoner in cases where circumstances dictate such contact. But I must emphasise that the nature of such contact is confidential.

What was your impression of him?

As you are well aware, the State President is on record as saying that Mr Mandela can secure his release by publicly abandoning violence as a means to bring about change. He has also stated that he is prepared to talk to the ANC provided it forswears violence. I cannot comment on Mr Mandela's response to the State President's statement. All I say is that my impression of Mr Mandela is that it is most unfair to him that he remains incarcerated by his own people through their pursuit of violence and that they expect him to remain in prison because they do not wish to give up violence themselves. He is carrying this burden in an admirable manner.

Are you implying that Mandela has made an undertaking which satisfies the conditions for his release, but that he remains in jail because the ANC continues with its programme of violence?

No. I am not implying anything. As a matter of fact it is well known that Mr Mandela himself has not as yet met the State President's conditions of release, but it is equally well known that the ANC has purported to reply on Mr Mandela's behalf negatively, well in advance of his own decision.

What are your views on the ANC?

It originated as a movement strongly motivated by nationalism, but I think it is now experiencing a crisis of identity. I think that the ANC's communist wing under Joe Slovo is planning a take over at the right moment,

using the ANC as a front because of its appeal as a nationalist movement. They are using nationalism because it has a strong appeal and I don't think the ANC itself realises what is happening. As far as government is concerned, the State President has indicated that if the ANC renounces violence and commits itself to participating peacefully in the internal political process, then, of course, the world is wide open again.

What is your response to the argument that the ANC is simply meeting violence with violence because the government itself uses violence – political and physical force – to implement its policies and to stay in power?

Well, the Irish argue that they are legitimately opposing the British because the British are using violence against the Irish people. But the British retaliate by saying it is legalised violence, legalised by Parliament, by statute of Parliament, and that whatever the Irish terrorists do is unconstitutional. We are a recognised government, we are in power. Parliament has legislated, and I don't think anyone is going to argue that we must tolerate incidents like, for example, the Amanzimtoti bomb blast.

When militant people set their targets on destroying law and order, then the State is entitled to take such measures as it sees fit to protect the public. The militants are using illegitimate, illegal means of attaining their objectives and therefore their motivation, no matter how honourable it may be, must be opposed. Whatever has stood in the way of negotiation in the past has been removed. We have entered a period of reform; we have expressed the willingness to negotiate peacefully. I think we should be taken at our word because so many other blacks have negotiated with us peacefully.

To whom are you referring?

Let's start with the independent states of Transkei, Bophuthatswana and Venda. They are self governing and they are not simply tokens. They are constitutional realities and citizens who work and live outside those states look forward to going home. We have negotiated a political dispensation with these people and we have established other forms

of government like community councils. If you take all those people, and consider those who are participating in the economy peacefully, those who are living in self-governing states or who are paying tax or paying allegiance to self-governing or independent states, they all add up to almost 75% of the original numbers of black people when the National Party came to power. We are dealing now with the balance. We are tying up the knots. We are dealing with the 25%.

The very fact that the militants have set out to destroy these community councils and to make the self-governing and independent states ungovernable, proves that they were obstacles in their way, that they had to avoid their ultimate success. You can visualise that if these councils were to grow, were to move on to a further level, it would be very difficult for the militants to attain their objectives.

That proves that success wasn't so far off for this government.

You recently took the unusual step of asking the Law Commission to investigate the feasibility of drawing up a bill of rights for South Africa. What is your motivation for this?

I have previously taken the position that a bill of rights, in the sense of protecting individual rights, is not necessary in our country. Not that I don't subscribe to the concept of individual rights, but because I maintain that our common law properly protects individual rights and that a bill of rights may only tend to weaken the individual's rights. I have compared it to the situation in the United States where the objectives of justice may be defeated by the individual's right to be tried by his peers, by a jury. We have abolished the jury system in our country, thereby enabling a person to be tried expeditiously. In the United States, a trial can be delayed up to six years or longer by people challenging those elected to sit on the jury, thereby defeating the ends of justice.

I have also referred to an amendment to the US Bill of Rights, entitling any person to carry a firearm. I am under the impression that the US is suffering under that stipulation. In our country it is not an individual right to carry a firearm and at least we can give attention to the question of whether or not an individual is suited to carry a firearm. The British, on the other hand, don't have a bill of rights, and yet they are very strong on individual rights.

Therefore I took up the position that we do not need, at this stage, a bill of rights for individuals. Then, of course, we accepted that our new constitution is largely based on the concept of groups and group interests. It was built on the fact that we have various minority groups in this country and, then, delving into this situation, I discovered that the United Nations has embarked on very intensive research into the position of groups. I discovered that there is a world-wide interest in the protection of minority groups and their religious, cultural and language rights.

Realising that we were well on our way to abolishing old systems, and realising that we were searching for new concepts that would bind us together and relieve us of our fear of numbers in this country, I began to appreciate that our courts could play a meaningful role. I therefore asked the Law Commission to investigate the possibility of a manifesto of human rights with special regard to group rights, the possible extension of individual rights, and the role our courts could play in this area.

Is the idea that a bill of rights protecting group interests will make it easier for government to relax, or possibly even repeal, such laws as the Group Areas and Population Registration Acts?

We're always building, every country is building all the time, preparing for the future. So, we too are preparing for the future, and I think it is actually inevitable that old laws and concepts will come up for review. Government, of course, hasn't enunciated any policy on this issue yet because we are still awaiting the report of the Law Commission, so I cannot speak for myself or even for government on this issue. But I will say it is a reasonable conclusion that if we were to have a bill of rights codifying group rights, group interests and individual rights, then we would want to link these issues.

Of course, we will have to find a balance between and among group and individual rights. We'll have to harmonize, I think that's

the word, we'll have to harmonize these rights with each other. I think it's a reasonable conclusion that in every other country which drew up a bill of rights, the need for some other laws fell away. But, I want to emphasize that I do not visualize that a bill of rights of this nature will just replace, merely replace, the old laws. What I can say is that the effect will have to be to create more trust, more confidence among the groups, and will actually involve a situation in which we share whatever possible while allowing groups to enjoy what is peculiar to them.

What are your views on the bill of rights drawn up as the basis for a multiracial government for KwaZulu and Natal?

Well, it does take cognisance of language and cultural differences, but, in general, its merits also lie in the fact that it does take cognisance of certain liberties – access to the courts, and equal treatment before our courts.

How will a bill of rights operate in a society in which we have extensive security legislation based largely on detention without trial?

Well, of course, we're talking now about an ideal situation. Naturally, our security legislation will have to be considered. It's inevitable because our security laws do make an inroad into civil liberties. But then you're talking of an ideal situation, you're talking of a situation where we visualise having so many more people sharing common ideals, where much of the security legislation may not be necessary.

Are there any indications that the State of Emergency will be lifted in the near future?

I foresee that the Emergency will have to be maintained as long as the present climate prevails. We must make sure this time that we have peace and order and that our citizens, black and white, can enjoy protection and freedom.

BLACK ENROLLMENT IN PRIVATE SCHOOLS INCREASING

Johannesburg SUNDAY TIMES in English 14 Dec 86 p 5

[Article by Sue Fox Menof and Samkelo Kumalo]

[Text] **BLACK students are enrolling in increasing numbers at private schools throughout South Africa and there's nothing to stand in their way except the fees.**

Since October, private schools have been able to admit black, coloured and Indian pupils at their discretion without fear of running foul of the education authorities. Previously, permission was necessary.

"The schools themselves now decide on which pupils to admit," said a spokesman for the Department of Education and Culture in Pretoria.

"They used to have to get permission and there were certain quotas, but all this has fallen away since the promulgation on October 31 of Regulation R2281, section 9 of the Private Schools Act 104 of 1986."

The Association of Private Schools confirmed that the number of black students being admitted to private

schools was on the increase.

"The numbers have increased and we welcome them," said a spokesman, "but we don't have statistics on blacks in private schools because a number of schools won't discriminate on grounds of colour."

This week the Sunday Times approached several schools in South Africa to assess the situation.

KINGSMEAD College, Johannesburg: "Before school closed last week we were dealing with about three applications a day for 1987. Black applications have increased by more than 150 percent," a spokesman said.

MICHAELHOUSE, Balgowan, Natal: "In 1986, out of a total of 469 students, 18 were black, nine Indian and two coloured," said a spokesman.

"In 1987 the numbers will increase to 28 black, 11 Indian and one coloured, with the total intake for 1987 being 458."

ST STITHIAN'S College, Randburg: A spokesman said: "We have had a 500 percent increase in applications by blacks compared with last year, and until we closed recently we were processing about 50 applications a week from blacks wishing to attend standards seven to nine."

Exception

DAMELIN College, Johannesburg: The principal, Dr Isaac Kriel, said: "Up to and including this year we had to apply to the Transvaal Education Department for permission to accept black, coloured and Indian students."

"This permission was given in a small number of cases, but permission was the exception rather than the rule."

"The new arrangement allows private schools to accept students as they deem fit. The only restriction is age. If a student is over 19, special permission must be obtained."

"Our total enrolment for 1986 was 1 272, (from Standard Seven to matric), and 19 blacks, coloureds and Indians obtained permission to attend," Dr Kriel said.

High

ROEDEAN School, Johannesburg: A spokeswoman for this exclusive girls' school said: "We don't count our students as black and white. We do have some black students, but not that many, as our fees are high."

"It is a limited group, but we have a lot more than we used to. Some years ago we had one Indian girl; now we have quite a few."

PARKTOWN Convent, Johannesburg: The principal, Miss Jackie Welch, said: "All Catholic schools have been accepting black pupils for more than 10 years. This year, out of our total of 390 pupils there are 37 black, 20 coloured and 57 Indian children."

CONVENT Belgravia, Johannesburg: A spokeswoman said there was a 10 percent increase in applications from blacks this year. "We can't give statistics because we don't accept pupils according to race, but we can confirm that more blacks are attending our school," she said.

ST ALBAN'S College, Pretoria: Despite high annual fees of R8 858 for boarding and R4 929 for day scholars, St Albans has had an increase in black applicants for next year. "The school is now full," a spokesman said.

ST ANDREW'S College, Grahamstown: "The increase in black applicants is slighter higher this year, but not that much, due to our high fees and unemployment," a spokesman said.

"Fees are R8 700 for boarders and R4 400 for day scholars, and, although the school offers assistance in some cases, most blacks in the region can't afford the school."

Sensitive

WATERFORD Kamhlaba School, United World College of Southern Africa, Swaziland: Headmaster Richard Eyeington said: "It's a sensitive area. We do have black South Africans from Soweto, but some had to return home under threat to their families this year.

"Fortunately, the students and their families sorted out the problems with these organisations, which found Waterford perfectly acceptable.

"I'm wary of revealing details, but we have about 45 South Africans, not all black, but the majority are black. We have a link with an organisation, Protec, in Johannesburg which is helping to upgrade black students, particularly in the science and technical fields, and it sends us students to be tested.

"We will have about 400 students next year (380 for 1986) representing 40 different nationalities from South America, Southern Africa, the rest of Africa, India and Europe."

/12828

CSO: 3400/689

UNIVERSITY HOSTS CONFERENCE ON EDUCATIONAL CHALLENGES

Blacks Doubt Government Sincerity

Johannesburg CITY PRESS in English 14 Dec 86 pp 12, 13

[Article by Dan Dhlamini]

[Text]

THE BLACK community sees the present education system as a tool which the government is using to subtly sell the reform program not acceptable to black people – and to accept it was dangerous.

This was the opinion of Soweto Parents Crisis Committee spokesman Siza Molebatsi at the International Conference on Educational Challenges in Southern Africa in a Christian-Reformational Perspective.

The conference was organised by Potchefstroom University's Institute for Reformational Studies.

Addressing more than 100 participants from Zambia, Lesotho, Botswana, Zimbabwe, Netherlands, Namibia and some parts in the Republic, Molebatsi said the only solution to the present education crisis was that progressive white Christians who have voting rights must unite and pressurise education and Training Minister Dr Gerrit Viljoen to sincerely talk to the National Education Crisis Committee.

He said the sincerity of the government concerning the volatile education crisis in black schools was doubted and the aims and objectives of the red tape reform

plans were suspect.

Responding to a question as to where God featured in the "People's Education", Molebatsi, who is a Minister of Religion said "God is with the people, but Bantu Education was never meant to bring us nearer Christ".

He added that the enactment of the Bantu Education Act of 1953, whose aim it was to create an education suitable for black people, with a view to their envisaged role in white South Africa of "baaskap", was seen as the beginning of the road which led to the educational explosion of 1976.

In her contribution to the conference, Zambian delegate Hilda Phiri Chibwe, said Zambian education policy is to attain universal primary education which is nine years of basis education for all Zambians at their fully integrated schools.

She said the most burn-

ing issues were that a quarter of all students in the country who enrolled for grade four, cannot find a place in grade five – hence a high number of drop-outs.

She cited population explosion, illiteracy and the low income of parents as one of the most burning issues. She also said there was a great shortage of teachers and that religious education was taught at all schools in Zambia.

Iron McGregor, a Christian Educationist from Zimbabwe, said the number of secondary schools have rocketed from 177 in 1979 to more than 1 300 this year with a total of 4 898 fully-qualified teachers.

He said the schools were fully integrated and that there was a national literacy campaign, run jointly by the Education Ministry, Community Development Ministry and women's affairs and that it was gain-

ing momentum.

McGregor said the school population has increased tremendously since the independence – despite the government's expensive family planning program.

He said Christians can play a leading role in the policy of reconciliation and this was the policy often emphasised by Zimbabwean government since independence.

"Christian teachers are needed and are more than welcome in Zimbabwe and religious studies is a popular subject in this country," McGregor said.

Asked to comment on allegations that Zimbabwe was ruled by a Marxist-inclined government, McGregor declined to comment saying this could put his position in jeopardy.

He said he attended the conference in his capacity as a Christian and had not been assigned by his gov-

ernment. According to the conference, organiser Malawi's Institute of Education's Dr IC Lamba of the Malawian Institute of Education could not attend the conference because his government allegedly refused him permission to participate.

There was an interesting new spirit in the conference after Potchefstroom university Senior Lecturer in Philosophy and History of Education, Willem Postma had delivered his paper calling for Christian parents as educators in the contemporary education situation.

Postma said education must take place in a suitable home in which its individuals can realise its full potential and that parents must stand firm in their calling for peace, order and love for others.

In questioning this statement, Prof Jaque Krie said it was impossible for black people to live

Christian life because they did not have suitable houses. The families were forced to live separately as migrant labourers, live in hostels and seldom see their wives and children who are either living in shacks or matchbox houses.

The audience burst in laughter when Pretoria educationist SW Seboni said it was strange that

white Christians should say that they teach their children to love and respect their fellowmen.

He cited an incident where a small white child refused to take her mother's instructions to greet him (Seboni) as "Oom" and preferred to address him as "boy".

He challenged the credibility of Christianity in white families saying that it was theoretical rather than practical. Speakers from Namibia told the conference that the education system in their area was bad and that white schools were empty while there were classroom shortages at black schools. They said whites in Namibia rejected integration at schools outright and that about 70% of the teachers in that area were not fully qualified.

Lesotho educationists J Anderson, Tsepo Mokgethi and Rev I Mqathazane said that of the 50 000 children born in a particular year after independence, only 200 managed to go to university.

They said unemployment was one of the greatest handicaps in Lesotho.

Dutch educationist Dr CM van den Oeck said the aim of Dutch education system was basically to enable a child to manage in a society in an independent way.

Conference organiser J Marais said the resolution of the conference would only be made available to the Press at a later stage.

Resolutions of Meeting

Johannesburg CITY PRESS in English 14 Dec 86 p 13

[Article by Dan Dhlamini]

[Text]

THE Institute for Reformational Studies conference at Potchefstroom University resolved that:

● In the final analysis apartheid is based on a humanistic philosophy and is therefore not only incompatible with the Christian faith and with the reformational world view, but is the outcome of a hardened heart.

● The churches should be encouraged on the one hand to call for the abolition of every aspect of apartheid, but on the other hand all be helped to understand that that alone does not address the real spiritual barrenness of the country.

● The churches should be called upon to preach and practice the gospel in such a way as to address the whole man in everyday life.

● Issues like relationships, the practice of righteousness, the rejection of the use of violence, condemnation of oppression, the need for compassion with one's neighbours and finally hope should not be evaded.

● It will call on those Christians still clinging to the unbiblical theology of apartheid to repent, but then also on the other Christians to extend a loving and forgiving hand.

The conference noted that it is urgent to give attention to the diversity of possible doctrinal interpretations of the Kingdom of God in order to resolve conflicting views and interpretations of these views.

Attention should be given to distinguish the reformational perspective from philosophies that identify the Kingdom with the status quo or with any other specific political views.

The conference recommended that:

● The government is urged that equal pay be paid for equal work for all races and for both sexes.

This equality will enable more parents to afford adequate education for their children.

● The State be called upon to terminate immediately the unchristian practice of detaining individuals, and especially children.

● The Council of the Potchefstroom University for Christian Higher Education provide integrated hostel facilities at the university.

● A ministry and a department of education be created to determine national education policy and which will serve as a co-ordinating ministry for the regional educational authorities to be formed on non-racial lines.

● The policy-making structure for SA education as a whole be composed at the highest level of proportionately elected representatives of the national community.

● The one educational ministry should allow for schools which are subsidised by the State but which are initiated and governed by the local parents organisations in which the parents determine the spirit and the direction of the institution with state control of standards.

This would allow for both Christian schools and the possibility of giving positive content to "people's education" as well as satisfying the demands of relevant, freedom of choice, affordability and an acceptable success rate.

● The education department be requested to see to it that history is taught to further educational and not ideological ends by accommodating the history of all South Africans and removing emphasis in the teaching of unavoidable facts which could be hurtful, offensive and misleading.

● All Christians (scholars and teachers) be urged to further a true Christian perspective on South African history.

● Remaining legal barriers to social contact between groups be removed so as to facilitate communication between population groups, especially among children.

● The process of communication between children be enhanced by removing policy barriers to social

contact between schools.

● The IRS send a delegation to Education Minister Gerrit Viljoen to hear his views of why negotiations with the National Education Crisis Committee failed and to request him as a matter of urgency to meet with the organisation on an open agenda.

● Rev C Molebatsi be requested to accompany the committee delegated to undertake this.

● All teachers and teacher training institutions foster education practices in which young people are sympathetically guided to develop critical thinking skills and to become committed to an open search for truth.

The Biblical injunction of respect for parents and authority does not justify authoritarian and penalistic teacher-pupil relationships which inevitably leads to the inhibition of the development of critical abilities of students.

Because of the misunderstanding of Biblical injunction it is essential that the churches play a leading role in encouraging the development of sound critical thinking.

● Teachers of Bible education or religious instruction be practising Christians.

● That some contacts be established on the formal level through for example black people teaching the languages to white children and whites teaching their languages to black children.

● The teacher education curriculum of white teachers make explicit provision for a greater degree of sensitisation to black experience in South Africa.

● Technical education ought to be promoted to meet the economic needs of the country more adequately.

● It should request Christian educationists at the Potchefstroom University and other educational institutions to study the possibility of developing Christian resource material in modern technological media such as educational computer software, video and computer games and video programs.

● More bursaries be made available to black teachers in the light of the tremendous shortage and that empty places in white and Indian teachers' training colleges be made available to black student teachers.

In view of the over-supply of white teachers these teachers be utilised in black schools and that equal service conditions and opportunities for promotions be accorded to all.

● The institute for Reformational Studies convey the gratitude of the conference to members of the teaching staff of the Department of Education and Training who, in these turbulent times have often had to bear the brunt of the onslaught.

● The educational structures have to be kept going as a "life support system while changes are being effected".

The time available for these churches however is rapidly running out.

● The Potchefstroom University, for example the Department of Political Science, should make an urgent study of the influence of political and economic policies which are detrimental to the establishment of normal family life and the way in which legislation, for example the Groups Areas Act, has resulted in the prolonged ab-

sence of parents from their families and which have materially contributed to alienation of youths.

● The private and the public sectors increase efforts to improve the general living conditions of black people, since the existing situation has in no small measure contributed to the present education impasse.

● That Christian parents be encouraged to become involved in school committees and other civic associations and to initiate civic services such as churches.

● The committee approach white churches to request them to invite black Christians to meet in order to encourage a better understanding of one another.

This will be a valuable move in the direction of removing reciprocal stereotyped prejudices.

In line with the above it is recommended that churches should be urged to initiate special programs to promote awareness among white Christians, concerning black experiences and perception of the current crisis.

● The IRS study ways in which active guidance and practical help can be given by the church to enable parents to fulfill their Christian calling in the education of their children.

● Prominent church and educational leaders who are members of secret organisations to reconsider their positions and their organisations' claim to a Christian basis and come into the open or disband in the interest of Christian community.

● The IRS initiate a thorough investigation in Namibia concerning the war

and the implementation of Resolution 435 of the Security Council of the United Nations of 1978 and compile a report which is to be publicised widely so as to inform the people of South Africa about the true situation in the territory.

This is an urgent issue and the investigation must include all parties involved - South Africa, the transitional government, Swapo and local churches.

● The Faculty of Education of Potchefstroom University compile an urgent responsible analysis under the auspices of the IRS of the problem areas caused by the system of apartheid which is a hindrance to Christian education and that the practical suggestions be made to the authorities as to how these could be resolved.

One such problematic structural arrangement is the segregated schooling system.

● A study be made from a Christian perspective of the implications of a formal, academic nature of a education system in South Africa which does not address the real needs of the peoples of the country.

● The IRS be requested to write a critical evaluation of the development of the education policy of the NECC.

● Inter-disciplinary specific research be undertaken by the Potchefstroom University to identify areas where educational changes can be effected.

This sort of research should be of a very practical nature and address problems of smaller but no less urgent nature.

● The question of mother tongue instruction in school be investigated fully as there is a diversity of opinion concerning the desirability of such instructions.

Where the medium of instruction is a second language special attention should be given to the ability of both teachers and children to speak the language adequately.

● The IRS should sponsor a publication which is to be publicised widely among school teachers to motivate them to become sensitively involved in efforts to bring about reconciliation among various groups.

● The IRS be requested to initiate a study of Christian perspectives on educational change in a context of conflict and that the results of this study be published.

CASE STUDY OF GRASSROOTS YOUTH CONFLICT IN SOWETO'S DLAMINI 1

Johannesburg THE WEEKLY MAIL in English 12-18 Dec 86 p 11

[Text]

AN electricity box stands in the middle of a field in Dlamini 1, staking out the territory like a hoisted flag. "One Azania One Nation" has been spraypainted in red across its surface, declaring to the world that this is Azapo country.

But there is pathos in the bold statement. Azapo (Azanian People's Organisation) and Azasm (Azanian Students' Movement), which command some not inconsiderable respect in this neighbourhood, are running scared in their own playground, after weeks of bloodletting against their members. Their activists have fled from their homes, fearing the petrol bombs, pangas and guns that have been aimed at their colleagues.

While Sosco (Soweto Students' Congress) "comrades" are making themselves scarce in Dlamini 1, Dlamini 2, across the street, has become virtually off-limits to Azasm during the past month, and Ibhongo High School, across the field, has been cleared of more than 20 Azasm students since June.

"Sosco has told us 'if we see you in school, you had better tell us what size tyre you wear'," says Brister Kalaote, 19, Azasm's national administrative secretary. Kalaote took the necklace threat seriously and abandoned his studies at Ibhongo six months ago.

At least four people have been killed during the past few weeks, in the murderous tit-for-tat war between Azasm and the United Democratic Front-affiliated Sosco and Soyco (Soweto Youth Congress).

And as such conflicts would have it, each side insists that its people are the persecuted.

"Street committee members are being killed by Azapo," says Soyco president Rapu Molekane.

Molekane says Azapo and Asazm attacks on the UDF affiliates have the tacit approval of the police. "Azapo people have been using police guns," suggesting a close relationship between the two parties. "In most of the cases when they attack us, the police come at the same time.

"When this whole thing started, people thought it was just a conflict between individuals. Now we know we need to defend ourselves against Azapo. They are on a campaign to isolate us, and their only hope is that this conflict will continue, so that we do not spend our energies targeting the police."

Not so, says Kalaote. He is furious about what he calls the indifference of the UDF youth affiliates to the killings.

"Sosco is carrying out the work of the system," he says, pounding his fist on his knee. "The only people I expect to come attack me in my house is the system." Even if some of the killings were the work of government *agents provocateurs*, says Kalaote, "prominent members of an organisation like Sosco have been seen carrying out such acts of violence. It looks like an organisational thing to me."

Kalaote's claims are based on the kidnapping on November 13 of 14-year-old Fana Mhlongo, at the home of George Waychope, Azapo executive member, in Ngqase street, Dlamini 1. Neighbors say they saw Fana dragged away by known Sosco activists.

In fact, Fana had gone to Waychope's house with the Azapo official's nephew, Vuyisele, to clear some of the rubble left behind in a

petrol bomb attack on the house two nights previously. "They surrounded George's home and opened fire," said one witness. "Vuyisele got away, but Fana was taken."

Three days later, his grandmother went discreetly looking for him in a house in Dlamini 2. "A girl outside the house told me he was there, but I was too frightened to go inside. I thought I might be killed," said Leah Mhlongo. Four days later, after a week's search of mortuaries and hospitals, Fana's badly burned body was found by cleaners at a golf course near Pimville, with a gaping bullet hole on his temple.

Within two weeks, Mduduze Dlamini, a Sosco "comrade" from Dlamini 2, was found dead, having been shot in the head, forehead and stomach.

And on November 27, Lala Mpondzo, the grandmother of two Azapo (Azanian Youth Organization) activists, Nkosinathi and Lindani Ndebele, was shot and killed after about 50 people surrounded her house and attacked it.

Azapo's acting president, Nkosi Molala, told the Sowetan after her death he believed that the old woman "was summoned to a street committee meeting on Sunday and told to produce her two grandsons. On Wednesday she was again summoned to a street committee meeting and given an ultimatum to produce the two, or else her home would be burned the following morning."

After the past month's events, reconciliation will require concerted encouragement from both the UDF and Azapo. At least on ground level, distrust and vengeance have taken hold.

"We cannot talk peace with Azapo now," says Molekane. "It is like talking peace with Botha."

BUSINESS COMMUNITY'S INCONSISTENCY IN NATIONAL POLITICS NOTED

Cape Town LEADERSHIP in English Vol 5, 1986 No 6 pp 28, 30

[Article by Bob Tucker]

[Text]

To the white South African business executive, prospects might indeed seem bleak – sanctions, labour unrest, high rates of inflation, high rates of tax, general erosion of his standard of living and weak demand for his product. He might even contemplate “Packing For Perth”.

But how does it look to the black urban dweller – how many of us have really stopped to contemplate his prospects? I do not presume to speak on his behalf, because he should have the opportunity to do so himself and because I can never talk from his perspective. However, I make here a sincere attempt to understand his predicament more deeply.

Forced to live in a location remote from his place of work and with inadequate infrastructure and high transport costs, he too faces high rates of inflation, high levels of unemployment and strikes (which might not only deprive him of his means of transport, but may also result in him losing his job).

With a shortage of 500 000 housing units he clings perilously to the accommodation which he has, to the intense envy of those who haven't. He shares that accommodation with too many others and as a result enjoys no privacy whatsoever. If he pays the rent, the accommodation might well be burnt down (with him inside it) and if he doesn't he fears being evicted anyway. In the meantime, township services deteriorate.

If he is fortunate enough to have a job, he commutes over long distances to and from work in overcrowded transport and constantly exposed to the threat of being mugged. He does not know whether his children will stay at home, destroying their future in the process, or be beaten up for going to school. He is forced to skulk through his neighbourhood like a criminal in fear that he might be made to drink the dishwashing liquid if caught with his purchases.

He is expected to perform to the same standards as his white counterpart in the workplace – “because this is an equal opportunity company, you know”. He “competes” in a language other than his mother tongue and with an education on which R1 was spent for every R9 or more spent on that of his white counterpart.

He has been told that he may hire premises to start his own business in the Johannesburg CBD at R10 a square metre, but may not hire premises in any of the small business districts where he could get premises close to his potential market at R5 a square metre.

He is the fourth generation of his family living in the urban area, and has never been south of the Vaal River. Because he happens to speak Xhosa, he was classified as a Transkeian citizen in 1976 and lost his South African citizenship. Together with 9m other

blacks he is now an alien and must comply with the Aliens Act unless he can prove he has been permanently resident in the urban area with his family since 1976. Until he can prove permanent residence with his family (and at least 7,5m can't) he remains an alien and must carry and produce identification documents on demand. If he doesn't, he is liable to summary arrest and "deportation" to a "country" he doesn't acknowledge and has never lived in.

He knows that historically, other race groups have been in a similar plight, and have managed to pull themselves out of their predicament. But those race groups did so by gaining political control, and by making extensive use of the civil service, the railways and other State-controlled employers to create work opportunities for their own people. They also spent massive sums on upgrading the educational standards of their younger generation, so that generation would, in turn, be competitive in commerce and industry in years to come.

But in South Africa the black man has been denied access both to political decision-making and to public sector job opportunities which were the very foundation of the "bootstraps" exercise which benefitted those other race groups.

He has been told the amount spent on his children's education will be increased but that the State can no longer afford to bear the full cost of such education. If the black man wants secondary or tertiary education he is going to have to make a significant contribution to it himself.

His position is indeed desperate in actual terms. But in perceptual terms it is even worse. His aspirations have been raised by promises of "reform", but it is now becoming clear that the substitution of a vigorously capitalistic system for racial discrimination will probably result in the black man's lot remaining the same, or perhaps even deteriorating. It cannot be denied that when a very large segment of the population has been prejudiced to the extent that it has on purely racial grounds, then the application of an unmoderated free market system is likely to result in the maintenance of the *status quo*. It is in this context that the business community

of South Africa is forced to contemplate its role.

There can be little doubt that to the extent that economic domination is substituted for racial discrimination and, as a result, the lot of the black man remains the same, white-controlled business will be perceived to be the instrument of government in maintaining that *status quo*.

"That is all very well," one might be tempted to say, "but unless a vigorous free market approach is not only adopted, but in fact encouraged, we will not create the economic growth and jobs necessary to sustain our population."

Whichever way that argument has been advanced in the past and will be advanced in the future, it does not calm the suspicions or satisfy the aspirations of the working class. To draw a direct analogy in the labour field, it is tantamount to an employer saying he has an equal opportunity programme but is not prepared to take any affirmative action. In other words, the job will be awarded regardless of race on the merits of those competing for the job. However, 80% of the competitors for the job have been severely prejudiced in their ability to compete for it by a deliberately discriminatory economic and educational policy. They have, in addition, been inhibited in their ability to accumulate capital and have suffered directly from linguistic and cultural disadvantages, apart from blatant prejudice.

Equal opportunity, whether in the macro socio-economic environment or in human resource management, is meaningless unless coupled with an affirmative action programme. Market forces and raw competition must be moderated to assist positively those previously prejudiced so that they are finally able to compete on an equal footing.

If the business community fails to address this prerequisite, not only will it be seen to be the instrument of maintenance of the *status quo*, but the work force itself will remain unproductive and inefficient. This will adversely affect overall economic performance. Moreover, frustration among the majority of the population will be aggravated by its perception that it derives no benefit from the system.

Within the business environment, therefore, one may conclude that there is an

enormous amount to be done, and which can be done, to avoid such a catastrophic substitution of economic domination for racial discrimination. It may fairly be said that within that sphere the businessman has a sanction – namely the way in which he conducts his business – and to the extent that he has a sanction, he must be regarded as a force. It is this sanction which the black communities are entitled to expect us to exercise in the interests of a brighter future for us all. If we fail to do so, numbers, apathy and disenchantment will break the system, if revolution doesn't.

But in the purely political environment, the only real sanction which the business community has, is to go out of business – and that is no sanction at all. Consequently, in that environment, businessmen cannot be regarded as a force, but merely as a catalyst. To the extent that they pretend to be a political force, their effectiveness as a force in the business environment is actually prejudiced, and their catalytic capacity in the political sphere is usually destroyed altogether.

This is not to say that the business community cannot influence events in the political arena. It can, and must, but should do so appreciating the fact that it does so as a catalyst, and not as one of the primary agents. The objective must be to facilitate the black communities, which are primary agents, speaking for themselves through creditable political structures.

One of the remarkable qualities of any catalyst is its consistency. One of the disconcerting attributes of the catalytic role played by the business community in South African politics is its inconsistency. This, in turn, destroys the cohesion of the message communicated to government. One wonders, for example, whether the extremely important Federated Chamber of Industries, Afrikaanse Handelsinstituut and Assocom resolutions, and Project Free Enterprise conclusions, are even recognised, let alone reinforced in the process of direct interface between business leaders and government. If not, government is justified in concluding that the positions

taken in those resolutions are not genuinely held by the "captains" of industry, but merely by the "hotheads" who participate in their formulation.

Perhaps even more importantly, such inconsistency has an adverse effect on the message communicated to the black communities. It is worth remembering that the real issue is how we are to accommodate the group which constitutes 80% of our population; not how we are to accommodate the ruling party.

As exponents of freedom, we should also appreciate that given the opportunity to do so, the black communities are well able to argue their own case. As long ago as 1913, a South African black man, Sol Plaatje, argued in most articulate fashion against the Natives Land Act, which allocated 13% of the area of South Africa to 80% of the population, and 87% of the area to 20% of the population.

He concluded his book, *Native Life in South Africa*, with the following poem, and it behoves us to heed the warning well:

Alas, my country! Thou wilt have no
need

Of enemy to bring thee to thy doom . . .
For not alone by war a nation falls.

Though she be fair, serene as radiant morn,
Though girt by seas, secure in armament,
Let her but spurn the vision of the Cross;
Tread with contemptuous feet on its command

Of Mercy, Love and Human Brotherhood,
And she some fateful day, shall have no
need

Of enemy to bring her to the dust.

Some day, though distant it may be – with
God

A thousand years are but as yesterday –
The germs of hate, injustice, violence,
Like an insidious canker in the blood,
Shall eat the nation's vitals. She shall see
Break forth the blood-red tide of anarchy,
Sweeping her plains, laying her cities low,
And bearing on its seething, crimson flood
The wreck of Government, of home, and
all

The nation's pride, its splendour and its
power.
On, with relentless flow, into the seas
Of God's eternal vengeance wide and
deep.
But for God's grace! Oh may it hold thee
fast,
My country, until justice shall prevail
O'er wrong and o'er oppression's cruel
power,
And all that makes humanity to mourn.

CSO: 3400/730
/9317

FAR EAST 'UNDERCOVER CAPITAL' FINANCES MANUFACTURING COMPLEX

Johannesburg THE STAR in English 12 Dec 86 p 18

[Text]

A "hush hush" investment of around R18 million invested represents the latest influx in an apparently growing flow of "undercover" capital entering South Africa despite official disinvestment policies overseas.

The money, belonging to (mainly Japanese) Far East interests has been brought in via the financial rand to finance a new video cassette and audio equipment manufacturing complex in the Botshabelo industrial area near Bloemfontein.

Speaking at the opening of the complex — built for Electronic Magnetic Associates (EMA) South Africa — the managing director of Alkhan Industrial Consultants (AIC), Mr Schalk Coetzee, also noted that the R94 million invested in the Botshabelo area by entrepreneurs in the past three years has come "predominantly" from overseas.

He added that "another seven industries" involving a similar proportion of fixed investment from outside South Africa were now under investigation by his company in "other areas of Southern Africa.

"As location consultants, we have recently been instrumental in establishing 31 undertakings of which 19 are from overseas."

This has helped create 6 000 jobs and a further 12 new projects in the pipeline for Botshabelo will mean another 3 000.

"When the multiplier effect is taken into account, industrialists here have

been instrumental in creating a livelihood for more than 50 000 people," said Mr Coetzee.

In addition to private sector investment, more than R50 million has been provided for infrastructure at Botshabelo by the SA Trust Development Corporation.

The EMA video and audio manufacturing complex will produce video cassettes for both the South African and export markets.

Electromagnetic coating of tapes is envisaged "within a year," followed by the manufacture of audio cassettes.

The company says offshore capital is financing the whole deal.

Funds from virtually all overseas countries which have "officially and openly" declared policies of disinvestment from South Africa are said by development consultants questioned this week to have continued, "or even initiated," their fixed investment in SA.

The consultants say this is increasingly helping to offset the outflow of capital as a result of companies disinvesting.

— Sana

/13406

CSO: 3400/721

ISRAELI LOOPHOLE IN SANCTIONS NET DENIED

Johannesburg THE STAR in English 15 Dec 86 p 11

[Article by Chris Moerdyk]

[Text] Suggestions that South African manufacturers have found a loophole in the sanctions net by taking advantage of the United States/Israel free trade agreement concluded in August last year, have been denied by Israel's economic and commercial counsellor in Johannesburg.

Mr Daniel Golan was reacting to speculation that the agreement allowed for the duty-free export of South African goods through Israel to the United States and that this was the reason for a 70 percent increase in South African exports to Israel.

He said the agreement made provision for any country to send products for 35 percent completion in Israel and subsequent export to America. However while Israel's anti-sanctions stance did not prevent South Africa from taking advantage of this, it was unlikely to prove to be a practical proposition.

On face value the agreement might appear to be an ideal opportunity for South African companies wishing to break sanctions but in practise it was much more complicated and would prove to be more expensive than using accepted sanctions-busting routes through other countries, he said.

"In percentage terms South African exports to Israel appear dramatic but in monetary value the amounts are still relatively small. Certainly the increase in exports from this country to Israel does not have anything to do with Israel being a conduit to the American market. Very simply the depreciation in the value of the rand has made South Africa an extremely attractive buying market for Israel," Mr Golan said.

He said the newspaper report speculating on the use of the agreement as a conduit for beleaguered South African manufacturers and which related these to South African/Israeli trade increases was "exaggerated and out of date".

The former president of the South African/Israeli Chamber of Commerce, Mr Joe Hallis, said that speculation was based on an

annual trade publication of the chamber published three months ago.

The intention was not to promote a sanctions loophole but simply to bring to the notice of any South African company trading with Israel that in terms of the agreement any product that was 35 percent completed in Israel was deemed to be an Israeli product.

"The Press report simply consisted of extracts from an article I produced for our annual trade publication and the reporter drew his own conclusions," he said.

Meanwhile, American sources have said it was not likely the United States would take action against Israel in spite of clauses in the Anti-Apartheid Act allowing for countries to be penalised for helping South Africa break sanctions.

The irony of the situation, observers said, was that those who formed the anti-apartheid and sanctions lobbies were the same people who had been promoting improved trade relations between the United States and Israel.

/12828

CSO: 3400/705

WESTERN AID PROGRAM PROPOSED FOR RAPID END OF APARTHEID

Cape Town LEADERSHIP in English Vol 5, 1986 No 6 pp 18, 20-22, 24

[Article by David Welsh]

[Text]

History seldom allows its flow to be placed in convenient single-year containers, but, as 1986 draws to a close, we may well ask whether it has been a watershed year, a year which the historians of the future will declare to have been decisive in the unfolding South African drama.

It has been a year in which profound processes continued, and significant events happened. People of all colours and with different political agendas wondered for how much longer white rule could survive; others, perhaps of more optimistic disposition, were thinking and debating what forms "post-apartheid" South Africa might take. Everywhere one sensed that South Africans had recognised that a new era was being born. A painful birth, perhaps, and whether the infant would be bonny, an open question.

The most significant event of 1986 is that it has been the year in which what has been called "the black veto" crystallised. By this is meant primarily the capacity of blacks to mobilise themselves in such ways that they can thwart, frustrate, or neutralise virtually any government initiative aimed at greater control or tighter enforcement of apartheid rules. More than this, the common feeling among many blacks is that the old order of white domination is cracking rapidly: a few more heaves and the entire edifice will come crashing down.

The latter perception is almost certainly inaccurate if it is a proposition about the balance of power. That balance may be changing and the State's legitimacy and effectiveness may be impaired, but it remains formidably powerful and, for the foreseeable future, not in danger of being overthrown. But "perception", however wrong, is what counts, and the crucial psychological

barrier that large numbers of blacks have crossed is their belief that the end of the hated structures of apartheid is in sight. This perception creates hope, boosts morale, and increases determination. It stands in a reciprocal relationship to the opposite mood developing among many whites, namely declining confidence in the system's capacity to endure, lower morale, and even emigration.

Attitudes, moods and perceptions, of course, are not homogeneous among population groups any more than political attitudes are. They vary with age, education, class, career prospects and other variables. "Black South Africa" and "white South Africa" are abstractions that conceal the divisions and rivalries within each category. To suppose that black and white confront each other as monolithic blocs is grossly to under-estimate the complexity of the conflict.

The "black veto" power derives from several sources: the sheer fact of black numbers and the economy's dependence upon black workers; the dramatic expansion of black trade unions in general, and their leverage in particular in the crucial mining industry; the expansion of black education, even if of deplorable quality; the rise of black consumer power; and the actual and anticipated rise in black urbanisation. This is not an exhaustive list, but it delineates the sources of this greatly augmented black leverage.

Much of the dynamic underlying increasing black leverage derives from what happened in the Seventies. In that critical decade, three major things occurred: the strikes of 1973 convinced many employers, and some key people in government, that industrial relations could

not continue to rest on denial of trade union rights to black workers; the violence of 1976-7 showed just how dangerous a flashpoint black education was; and, as the National Manpower Commission showed, if South Africa was to continue to grow economically, the pool of high level manpower could no longer be restricted to whites. In short, job reservation had to go, and the provision for training blacks in skilled and even managerial capacities had to be expanded.

Unhappily for South Africa, the growth rates of the Sixties (5,5% a year) and Seventies (3,5% a year) have not been sustained, and over the past five years average annual growth is estimated to have been 0,7%. The simultaneous expansion of black education (quantitatively at least) and the contraction of the economy form a highly explosive mixture. South Africa's population growth requires it to create nearly 1 000 jobs each working day, or 300 000 a year, to provide employment for new entrants onto the labour market – a figure that can be projected to reach 430 500 a year by the year 2000.

Job-creation on this scale requires an annual growth rate of at least 4%, but official statistics suggest that as many as 200 000 jobs may even have been lost between 1981 and 1985, while estimates of an unemployment figure in excess of 3m have been made.

The figures underline the major objections to sanctions: that by constricting growth they weaken those sources of leverage that blacks should find most hopeful in their struggle for human rights. It is a grim irony that 1986, which I have called the year of the black veto, should also be the year in which the sanctions issue came to a head. It is my argument that an expanding economy, requiring society to unshackle the skills and creativity of all its people, would be the surest and least destructive way to increasing black bargaining resources.

What are the tangible effects of the veto? The abolition of influx control may serve as an illustration: influx control was a cumbersome, wasteful and unjust way of trying to keep blacks out of towns. It had to go not only because its enormous conflict potential was at last recognised by government, but more importantly because it was no longer capable of being enforced, and government had to recognise that the urbanisation of blacks was an unstoppable process. Another example is the aborted independence of the Kwa Ndebele homeland: it did not take place because determined elements in the black community effectively blocked it.

Consumer boycotts in the Eastern Cape, refusals to pay rentals and taxes, school boycotts, refusals to be forcibly moved, and the repudiation of participation in apartheid structures are all variations on the same theme: the mobilisation of black leverage for the purpose of frustrating official policies or thwarting new initiatives.

One must be careful not to overstate the point. Nor should one overlook the growing black backlash against issues like the school boycott or the strong-arm methods of securing compliance by street committees. Making townships "ungovernable" and forcing black local authorities into dissolution exacts its own toll on those who now have to live with even less adequate services.

A further feature of the current period has been the resilience of black political organisations. Despite the State of Emergency, in which many thousands have been detained, it does not seem that the mood of defiance in black communities has been destroyed. Reports say that the common response to the pressure has been to broaden the base of their structures but to operate in ever-smaller units – area committees, street committees, yard committees and so on. Reports also indicate that about 40% of the detainees in this State of Emergency are aged 18 years or younger.

There are grounds for supposing that one of the State's key control mechanisms, its network of informers in the black townships, has been badly damaged, if not destroyed. Alleged informers – the so-called *iimpimpi* – have been the target of peculiarly vicious reprisals, along with other alleged collaborators in the State's machine.

The amoeba-like qualities of black organisation and the inherently loose and decentralised structure of an organisation like the United Democratic Front (UDF), which is a coalition rather than a monolithic or unified movement, make it difficult for the State to eliminate it. Instead, it seeks to restrict and harass it by detaining individual leaders (who are quickly replaced), declaring it an "affected organisation", and curbing its activities.

It would be misleading to conclude that the situation in black politics is homogeneous throughout the country. Clearly it is not, and the configurations of black politics differ widely among, say, Soweto, Port Elizabeth, Cape Town and Durban, the latter having a peculiarly complex situation owing to the powerful presence of Inkatha. Consonant with this picture is the intense rivalry between black organisations, which has been one factor in the "black-on-black" killings that account for roughly 30% of all deaths in the violence.

Estimates of the distribution of support for black political movements are notoriously imprecise, but most observers would agree that the resurgence of support for the African National Congress (ANC) makes it indisputably the dominant organisation in terms of popularity. With impunity blacks openly declare their support for it, flaunt its colours, chant its slogans and venerate its leaders, a phenomenon that in itself signifies one dimension of the veto power.

It should not, however, be assumed that the widespread support for the ANC as the symbol of the black struggle for rights, enables it to determine events inside the black townships. It may set a general policy, such as "making the townships ungovernable", but the initiatives at grass-roots level are taken by the young militants. Indeed, there is a lot of evidence to suggest that the ANC itself is worried by its inability to exercise control and by the supremely alienated and brutalised condition of many of the "young" comrades who join it in exile. One may add here that the ANC does not exercise control over the black trade union movement either. A body like COSATU certainly associates itself with the liberation struggle, but at the same time it declines to be a mere pawn of the ANC.

In white politics there is a general consensus in opposition quarters that P W Botha's reform programme ran out of steam, largely as a consequence of fear that his political base would be further eroded by the ultra-right. This is probably an over-simple view of a situation that is more complex.

A study of Botha's speeches over the past three or four years shows that he is remarkably consistent, at least about certain core issues: the "group" basis of South African society and the consequent need for constitutional planning to accommodate both individual and group rights; a group's right to its own (ie segregated) community life, in particular in matters of residence and schooling; and a refusal to negotiate with organisations unless they forswear violence. For the rest, it would seem as if Botha is quite content to see the scrapping of all other discriminatory legislation. The bottom line is that he refuses to contemplate a political system in which whites could be dominated by sheer weight of votes. This principle, as incorporated in the tri-cameral Parliament, represents the limit of how far government is prepared to go.

It accepts that blacks have to be incorporated into the decision-making process at all levels and it accepts, in theory at any rate, that whites can no longer govern unilaterally. Provided these principles and the other "non-negotiables" remain above questioning, all else is open to negotiation. Hence, the publication this year of the National Statutory Council Bill, which is designed as a forum for negotiation between white and black.

The linchpin of the South African system is the compulsory assignation of each individual to a "racial" or "ethnic" category in terms of the Population Registration Act. The "groups" to which government spokesmen refer are not necessarily the results of organic processes of voluntary association. Societies with diverse cultural and racial compositions, are invariably domi-

nated by ethnically-based groupings. A South Africa stripped of all apartheid legislation would almost certainly display the same phenomenon, but with this critical difference: the groupings formed by the process of electoral mobilisation, by opportunities of voluntary association, and by possible converging class interests would probably not closely resemble the statutory categories established under the present law. What configuration of groupings would be produced, and how far ethnicity would be the decisive determinant, are not issues that can be answered *a priori*. Nor can it be assumed that such a configuration, once it had crystallised, would endure – issues change, priorities shift and new coalitions of interest are formed.

The point has to be emphasised: by making statutory population categories the building blocks of all its constitutional structures, government sets in concrete a sham form of "ethnicity" and ensures that none of its political initiatives is able to put down roots of legitimacy. There is a strong case for building minority safeguards into the constitution of a deeply divided society, but government's approach is such as to continually discredit the entire principle.

It has to be acknowledged that some positive movement in government thinking has taken place. The actual changes in the economic and industrial relations spheres, and in relation to the status of urban blacks, are not simply "cosmetic". Nor are those more subtle changes that have occurred in the realms of ideological underpinning of policy. Some idea of the magnitude of change can be roughly gauged by comparing what National Party (NP) spokesmen say today with what the Conservative Party says. The latter's thinking is a fossilisation of NP thinking of the Fifties and Sixties, a point which they themselves invoke to belabour P W Botha for straying from the path of truth and righteousness established by Dr Verwoerd.

The evidence suggests that the NP is held together by little more than the interest of staying in power. The reform dynamic has run out of steam, the leadership lacks a vision and contents itself with inept crisis management. Above all, it is paralysed by the supposed erosion of its constituency to the ultra-right.

That this erosion is more imagined than real can easily be seen from survey data which shows that the combined forces of the ultra-right have, over a four-year period, not managed to attract the support of more than 20% of the electorate. In other words, they are not making rapid and dramatic advances. What is true, however, is that some 50 Nationalist-held seats are in jeopardy and, as most of these are in the Transvaal, a substantial number of MPs are edgy. Even if the ultra-

right's ability to oust government is in doubt, the threatened Nationalist MPs in the politically most significant province, possess sufficient influence in the caucus to act as a drag on the party as a whole.

Scattered and impressionistic evidence suggests that the fears of these endangered MPs and the doubts, uncertainties and fears expressed at the grass-roots level and fed into the party machine, account for the apparent hardening of the leadership's attitudes earlier this year. Being taunted with the "headless chicken" accusation was not only galling, it was electorally damaging as well. It is highly likely that the skewering of the Commonwealth Eminent Persons Group stems from these factors.

It would be wrong, however, to assume from the paralysis of the governing party that white attitudes are hardening and becoming more intransigent. That may happen if conflict intensifies and unemployment bites deep among whites, but thus far survey data does not suggest it. On the contrary, the findings of a *Mark en Menings* survey (commissioned by a political party) indicate some liberalisation of views. Thus, 56% of white voters favour the release of Nelson Mandela, compared with 39% in 1985; 45% of whites are unhappy with apartheid compared with 33% in 1985; 42% believe blacks should be included in Parliament; 67,3% believe powersharing with blacks is inevitable; 48% believe that government should negotiate with the ANC; and 56% support an entrenched bill of rights to protect freedom of speech, religion, movement and the interests of minorities.

The same data reveals what one has suspected for some time about the NP: that its public representatives and core support constituencies are deeply riven. The possibilities of further splits to the right cannot be excluded, but it is virtually impossible to imagine a future *rapprochement* between the Nationalists and the parties of the ultra-right. The legacy of murderous infighting and rivalry is too great for that. It is not impossible to imagine some form of coalition-building between a post-P W Botha National Party, shorn of some of its closet ultra-right wingers, and the Progressive Federal Party (PFP). I am reluctant to develop this scenario further because it rests upon so many imponderables and, in any case, predictions about future political realignments have a notoriously high casualty rate. Suffice it to say that one need not assume complete stasis in white politics.

Images of "going into the laager" or "fighting to the last drop of blood" are not necessarily accurate representations of how people react in situations of crisis.

I have suggested that 1986 is the year in which the black veto crystallised; I have drawn a picture of white politics that suggests contradictory features of both paralysis and movement. If the two sides of the equation are brought together I suggest that we have the politics of deadlock:

- ☐ The revolution is unlikely to happen. Far more likely is a situation of endemic but inconclusive violence, violence that ebbs and flows, is difficult to eradicate but does not fundamentally threaten the State;
- ☐ Government's reform programme is unlikely to find many receptive and credible black leaders willing to participate in its negotiable elements; and
- ☐ There is a growing recognition that the *status quo* is untenable and that it is exacting a devastating toll on our society.

How does one break deadlocks? To my mind this is the most pressing question that South Africans have to answer. There has been discussion of what a post-apartheid South Africa might look like, what kind of constitutional and political system could cope with our diversity, and how distributive arrangements could reconcile equity with growth. These are laudable exercises and while I do not discount their value, I believe that they are premature unless they embody some strategy for change.

How change occurs will shape in crucial ways the institutional patterns and the political culture of the post-apartheid society.

Orthodox conflict theory tells us that parties to a conflict may seek to negotiate their differences when both perceive that they are incapable of imposing their demands on their rivals. When both sides recognise a "no-win" situation, and both recognise that they would be better off with a compromise resolution than they would be if the conflict is allowed to perpetuate itself, then a negotiated termination of the conflict becomes possible, though not assured.

A critical stage in this process is the mutual recognition that the other's strength (measured in resources, staying power, etc.) is too great to permit outright defeat. In the real world of conflict the tragedy is that all too often nations, ethnic movements or armies that are programmed for violent conflict have a built-in resistance to realistic perceptions of their own limitations: the mutual recognition dawns only when the devastation is far advanced.

Against this sketchy theoretical background where does South Africa stand? Clearly it is some way down a dangerous road of escalating conflict that has internal, regional and international dimensions. White South

Africa has become militarised to a degree and its leaders define the situation as fighting off a "revolutionary war"; reciprocally, the ANC, with a large domestic constituency and substantial international support and legitimacy, defines itself as fighting a "war of liberation". Judging by the hideous index of fatalities the war is not far advanced, if one compares South Africa's situation with Algeria, Northern Ireland, Lebanon or Israel.

No one can be sure what the major antagonists have in their minds by way of longer-run scenarios. Yet it seems not unreasonable to conjecture that neither would wish to see South Africa reduced to rubble, materially or spiritually. Peacemakers, like my colleague H W van der Merwe, assure me of an intense desire on both sides of the big divide to reach a negotiated settlement.

Government must surely realise that even the amount of force it can deploy will not eliminate or extirpate black South Africans' desire for freedom in a non-racial society; and the ANC must surely realise that historically more "wars of liberation" have been lost than won, and that the South African case is not likely to alter that finding.

At this stage of the argument it would be convenient to pull a white rabbit out of the hat or invoke some other *deus ex machina*, but this is obviously not possible. If a durable accommodation is to be found it will come from the arduous labours and deep commitments of South Africans of all colours to create peace and sustain it. What happens to South Africa will be decisively shaped by the actions of South African actors themselves. Contrary to what some of the more enthusiastic proponents of sanctions might suppose, external leverage-through-punishment is not only unlikely to succeed, but may well aggravate an already vexed situation.

On the other, it is worth considering the possibilities that might lie in external leverage-through-inducement. In short, the carrot, not the stick.

The trouble with sanctions is that they don't work. They damage economies, but never, to my knowledge, do they force a targeted state to change its offending practices to conform with what those imposing sanctions desire. Sanctions, moreover, are blunt instruments, not easily amenable to adjustment or relaxation to reward "improved behaviour". Moreover, one has gloomily to note, the chances are that the ratchet effect of sanctions is likely to mean that the response to their perceived failure is not to abandon them but to impose tighter and more far-reaching ones.

Sanctions will be costly to South Africa and her regional neighbours. They will also be costly to those who impose them. None should contemplate lightly the gradual destruction of the continent's only economic powerhouse, a process, moreover, that when far advanced could only be reversed with great difficulty.

An imaginative plan might be this: to persuade a consortium of Western nations with traditions of trade with, and investment in, South Africa to join forces with some non-aligned states (which is a matter for discussion) with a view to seeking to play an "honest broker" role in South Africa. Stated simply, the plan would involve the rapid abandonment by the South African government of all racial discrimination and a commitment to create a negotiating forum whose task it would be to hammer out a constitution for a non-racial South Africa. In return for this, the honest broker group would commit themselves to offering aid to South Africa on a scale that would enable it to overcome poverty within two generations.

It may be considered a little eccentric to offer such a proposal in this very year in which the honest brokers of the Commonwealth Eminent Persons Group failed. How close the EPG came to succeeding in its mission to facilitate negotiations with government and the ANC is not known. That the ANC was willing to call a truce and participate in "proper and honest" negotiations is clear from the report. As far as government is concerned, the EPG report recorded its impression of a "divided government" that was "not yet ready" to negotiate for the establishment of a "non-racial and representative government".

Postures, however, do not remain static. It may even be a matter of note that government allowed the EPG to visit South Africa and to engage it in dialogue. However disappointing the outcome, at least government did not flatly rule out honest broker efforts at mediation.

If the South African situation deteriorates politically and economically, government may become more amenable to an internationally facilitated settlement. As I have argued, the "laager", "last-drop-of-blood" scenarios are not necessarily valid, as Afrikaner history itself shows. In terms of my suggestion, the consortium of mediators would come not only with goodwill and good offices, but offers of aid as well.

I have deliberately left vague many of the details. How much aid would be required to sustain a growth rate of, say, 8% or 9% a year, what kind of aid, and how the strings would be attached, are all important matters that competent experts would have to work out. My

concern is with the broad principle and with the chances of its gaining broad acceptance.

Equally complex would be the details of setting up structures for internal negotiations, how decisions would be taken, and how the constitutional forum would relate to government during the transitional period.

As the cynics say, every solution has a problem. I have no doubt that this proposal can be assailed in all kinds of ways, not least on the grounds of its evident impracticality at a time when the South African government is more isolated than ever before, and shows signs of being as bloody-minded as it ever was. This may be so, but none of the principle antagonists in the South African drama is being left unscathed by the conflict, and all, I fear, will have an opportunity of peering into the abyss of civil war.

Do rational people reject out of hand a proposal which, if carried through, could spare them those hor-

rors, lift them out of poverty, and enable them to create a stable and democratic society? I am convinced that a large coalition of all races would find this option preferable to any of the alternatives.

I am also convinced that this proposal would find a lot of support in the international community. There is a genuine concern in many quarters that South Africa must not be reduced to an economic wasteland; there are also fears about the costs of sanctions on the economies of the states that might impose them (150 000 jobs in Britain?), or the awkwardness of finding alternative sources of certain materials.

I have tried to stress that our principal need now is to go beyond analysing the dynamics of the situation and to chart ways out of the crisis. It is necessary to break out of the well-worn grooves of conventional analysis, and to think radically, innovatively and creatively.

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ECONOMIST EXPECTS SLOW, PATCHY RECOVERY IN 1987

Cape Town LEADERSHIP in English Vol 5, 1986 pp 46, 49

[Article by Attie de Vries]

[Text]

The year 1986, which initially was anticipated with the hope of higher growth, lower inflation and an easing in political tensions, turned out to be another miserable year economically. Politically and socially it was not much better with the countrywide re-introduction of the State of Emergency.

One can indeed draw up a long list of woes that beset the South African economy during 1986, and the first half of the year in particular. Economic growth in SA's main trading partners remained subdued despite the decline in the external value of the US dollar. As a result the demand for certain commodities, notably oil, declined, leading not only to lower prices but especially to lower international inflation and inflationary expectations. This in turn led to the gold price remaining under pressure in the early months of this year and this, together with escalating political violence at that time, had a depressing effect on the rand. The lower rand for its part helped to continue fuelling domestic inflation, making the lowering in real standards of living that much more visible. No surprise then that business and consumer confidence remained at a very low level and that government, with hindsight, could not get the economy going despite further stimulatory measures after a too conservative 1986 budget.

All this led to a renewed downturn in economic activity during the first half of 1986 after signs that the business cycle was turning upwards emerged towards the end of 1985.

The second half of 1986 was dominated by an increase in overseas pressures towards isolating SA on all fronts from the international community. In this regard the abortive visits from the Commonwealth Eminent

Persons Group (EPG) and Sir Geoffrey Howe on behalf of the European Community (EC) can be cited. Much more serious was the introduction of limited sanctions by these groups and more stringent ones by the US legislature despite the attempts of President Reagan to soften the blows. The last few months were furthermore characterised by the announced withdrawals of a number of well-known international companies.

The apparent deterioration in SA's foreign relations should impact negatively on the domestic business mood. Yet, perversely, an improved sentiment is emerging partly as a result of the apparent improvement in domestic political stability and partly as a result of the higher dollar price of gold as well as the authorities' stimulatory stance starting to take effect.

Although the signs emanating from the domestic economy are still rather mixed, the long awaited upswing appears to have arrived. Whether this upswing will be sustained for any length of time will depend on a number of factors.

The first question to be answered is whether the South African economy can start an upturn without the necessary support from exports. Although the expected real growth rates of most of SA's major trading partners are somewhat higher than that reached in 1986, this will not be enough to push the demand for our exports, in volume terms, much higher. In fact the volume of exports could well decline if the impact, however limited, of sanctions is taken into account. Against this, a better agricultural season might compensate for the negative impact of sanctions but this will not be enough to lead to any sharp increase in the volume of SA's exports. The possibility of somewhat higher export prices,

also for gold and some of SA's strategic metals and minerals, exists. All this should help to keep our current account of the balance of payments in a healthy surplus despite an increase in the volume of imports as domestic stock levels are being topped up.

It must be remembered, however, that the enforced repayment of foreign debt will prevent the authorities from using the full or even the greater part of the current account surplus to further stimulate the domestic economy. In fact, towards the end of 1987 the total balance of payments position might again become a bottleneck should the upswing be too fast in the initial stages.

The most important factor dictating the course of the South African economy during the next few years could well be inflation. Inflation, as measured by the rise in the consumer price index, remains uncomfortably high. If it is correct that the South African economy is at the start of a new upswing this will be on the highest ever inflation rate. South Africa is thus entering uncharted seas with no one really knowing the consequences of the high inflation on future growth or the effect of higher growth on inflation. It is a fact that at the moment high inflation, coupled with the low level of real activities, is making serious inroads on the ability of people to spend.

A sustainable upswing will thus not be possible without either curbing inflation effectively or allowing sharply higher salary and wage settlements. Should the latter happen, however, this might lead to either further inflation and/or more unemployment as companies will find it impossible to pass on the resultant cost increases in full. It would thus appear as if a critical factor in the sustainability of the upswing will be to curb salary and wage demands for as long as possible but this must inevitably lead to a slow recovery for the greater part of 1987.

The question can rightly be asked whether it is not possible to bring the ruling inflation rate down in any significant way. It would appear as if the lagging effect of the depreciation of the rand will really be felt in 1987 when imports start picking up and this, coupled with structural problems in the economy, will probably prevent the inflation rate from coming down much below 15% on a month-on-the-same-month-a-year-ago basis.

To try and fight inflation by further cutting back on demand will not help at all. Hopefully, the new stress on privatisation and deregulation will lead to lower inflation over the longer term, but this will not help much in 1987. Perhaps it will be necessary to start thinking about the very negative economic and human costs inflation is having on certain sections of the popu-

lation, such as pensioners, and devising some formula for compensating them even if only in part.

These factors point to a rather slow recovery in the initial stages which will start to gather some momentum towards the end of 1987. Even the rather modest growth outlook of about 3% in real terms is subject to a further improvement in the business mood and consumer confidence and is thus closely linked to political and social developments. An improvement in consumer confidence is an absolute prerequisite for an improvement in private spending and then on durables, in particular. With real disposable income still at a low level, durable spending will remain in the doldrums if consumers cannot be convinced to buy more on credit, and this will not only be a function of the level of interest rates.

Looking at growth on a sectoral basis, it is clear that the sharpest recovery should be in the field of consumer durables, albeit because it starts off from such a low basis. Spending on clothing and footwear and non-luxury food should also be buoyant. Consumers will, however, remain sensitive to price rises, so competition between suppliers will remain fierce.

With capacity utilisation in the manufacturing sector still low, no sharp increase in new fixed investment can be expected although some replacement demand might develop. Thus, the demand for machinery and equipment should remain low although import replacement, in reaction to the lower rand as well as sanctions, might occur. This, plus some build-up of stocks in the wholesale and retail sectors, might lead to a relatively healthy improvement in manufacturing output.

Given the conditions regarding fixed investment in general, the non-residential building sector could remain in the doldrums except for the construction of schools. Private house building could decline even further with net emigration continuing.

With domestic inflation expected to remain sharply higher than that of our main trading partners, the rand will remain a weak currency over the longer term. Against this it can be argued that the rand is at present undervalued in comparison to its intrinsic value. Given the debt overhang, the need to re-negotiate repayments in 1987, the full effects of sanctions already announced and the real possibility of further sanctions being imposed, the rand will probably remain under pressure. Even against a depreciating US dollar it is foreseen that the rand could again test the R1 = US 0,40 cents level during the second half of 1987 when the surplus on current account is dwindling fast. Such a movement, which implies sharper depreciations against the other major currencies, could again lead to an acceleration in the domestic inflation rate.

With inflation remaining high and inflationary expectations possibly hardening again in the second half, it cannot be expected that capital market rates will decrease much from their present levels before starting to rise again in the second half of 1987 to levels around 18% in the case of long term Escom loans. Given the uncertainties besetting the longer term future, the trend towards more medium term borrowing might continue.

Money market rates are not influenced to the same extent by inflation. With the balance of payments current account reflecting a substantial surplus at first and then tailoring off towards the end of 1987 and net reserves rising still further, downward pressure on money market rates should prevail for some time to come. This is especially true of the prime overdraft rate as well as mortgage rates where the authorities might engineer a further cut to get the economy going. In fact, the "pure" money market rates, such as overnight rates and the BA rate, are already discounting a further cut of about 1% in prime overdraft rate. With an improvement in general economic activity during 1987, the demand for money should increase and the authorities might react to that by allowing short term rates to start rising from the second quarter of 1987 onwards. However, in order not to

abort the upswing too early the expected hardening of short term rates will be marginal, with prime overdraft rate not higher than 14% at the end of 1987.

This outlook for 1987 implies that, at best, it will be a rather slow and patchy recovery gathering some momentum during the year. The recovery will barely be sharp enough to prevent a further rise in unemployment and the continued high inflation will keep real salary and wage increases at a bare minimum. The upswing should continue beyond 1987.

In evaluating the probabilities of such a scenario it is not necessary to point to the frailty of the international economic situation. Should deflation become even more prevalent, the gold price might retreat again, making life rather difficult in SA. From outside the economy, the biggest uncertainty is international political action against this country, which makes forecasting virtually impossible.

However, the most important imponderable is the action and reaction of the South African authorities on a wide front ranging from pure politics to the fighting of inflation. The authorities hold our destiny in their hands.

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GOVERNMENT BELIEVES WORST UNEMPLOYMENT PROBLEM OVER

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[Article by David Furlonger and Mick Collins]

[Text]

GOVERNMENT and industry believe the worst of the unemployment problem may be over.

Although more people have lost their jobs during 1986, officials say the trend is slowing and the picture should soon show signs of improvement.

Nobody is certain, however, of the true level of unemployment in SA.

The number of registered unemployed at the end of October was 127 700, an increase of 200 on January. But that figure includes only those who have registered. Nor does it include people from Transkei, Ciskei, Venda, Bophuthatswana and self-governing states.

Independent studies estimate that, excluding these regions, unemployment in SA is about 700 000. Including them, the figure soars to 2-million to 3-million.

Manpower Director-General Piet van der Merwe says: "Unofficial estimates vary wildly. The University of South Africa estimates the total figure is about 2-million. If we include all the various states, that is probably about correct."

He says R44m in unemployment benefits have been paid so far this year, at a rate of R1.5m each working day.

With an economic growth rate of only 1% expected in 1987, Van der Merwe admits prospects of a pick-up in the formal jobs market are not bright.

"Growth won't be in industry but in the informal sector. With the move towards urbanisation, there will be jobs in the informal sector in construction and re-

lated industries. It will be self-help to a large extent. Many people are already doing this."

The steel and engineering industries, which have shed tens of thousands of jobs since 1981, have seen a reduced rate of retrenchments this year.

An estimated 4 000 jobs have been lost in the industries in 1986, bringing the workforce down to about 347 000. Says an industry official: "We are starting to stabilise. We are down to a hard-core labour level now. We cannot afford to go lower."

An estimated 14 000 jobs have been lost in the motor and allied industries this year — again a slowdown on previous losses. Motor manufacturers laid off another 4 000, while component manufacturers and the retail/distributive trades each laid off about 5 000.

The Federated Chambers of Industry sees a slight improvement.

A spokesman says: "Employment in the manufacturing sector in January 1985 was 1 347 000. This figure declined to 1 317 000 in January 1986 and declined further in June to 1 316 200."

"Since then we have seen a steady improvement and the latest available figure for September was 1 319 000."

"While we are still below the levels of 1985, we are already better than the trough that was reached in June 1986."

The SA Federation of Civil Engineering Contractors says the sector has been enjoying a slight upturn, but it is too early to say if the worst is past.

A Johannesburg Chamber of Commerce labour spokesman says: "Unemployment is also flowing from the great protagonists of the disinvestment lobby. I believe unemployment created by disinvestment is a lot greater than is realised."

One sector to show definite increases is mining. The Chamber of Mines says there has been increased employment on the gold and coal mines of its members.

SURVEY CONSIDERS STATE OF ECONOMY FOLLOWING SANCTIONS

Johannesburg FINANCIAL MAIL in English 12 Dec 86 pp 37-39

[Text] The chances of free enterprise surviving sanctions intact (let alone the post-sanctions socialistic black government many people fear is inevitable) must be extremely low. While the private sector will continue to play an important role, particularly in sanctions-busting where government's intellectual and bureaucratic ponderousness renders it impotent, increasing bureaucratic control will be difficult to ward off.

One of the most important factors in Rhodesia's 15-year survival under sanctions was that it had a nimble, intelligent and adroit civil service which allied itself with an equally dextrous private sector. That example will no doubt be used as a model here. Unfortunately, our civil service may be an obstacle rather than an aid.

"With the structural dislocation of manufacturing industries, the State will have to assist," says Bryan Bench, research officer at the SA Institute of International Affairs.

"To me it is self-evident that the State's operations will have to expand. Priming the pump cannot lead to a massive blooming of capitalism. Employer organisations will have to monitor their interests a lot more closely.

"The enthusiasm that followed Pik Botha's statement in Witbank inviting the world to 'hit us with sanctions and we will show them what we can do' was ill-advised."

Bench points out that the private sector already depends fairly heavily on government contracts. The military-industrial complex is completely under government control. "This could expand into the service sector, the computer industry and others," he says.

The prospect of improved economic growth in the next two to three years, however, will provide a respite for the free market system. "The arguments to try to save the market economy will probably prevail through to about 1989," says JCI economist

Dr Ronnie Bethlehem. "In the initial phase, SA will probably benefit from sanctions. It is when deterioration begins that the pressure on the market economy will become intense."

Econometrix's Tony Twine believes that the concept of inward industrialisation being touted with enthusiasm as a solution to SA's problems will involve increased government intervention. "Unfortunately, government is not capable of optimally introducing resources into the system, so we will end up with the wrong things being produced in the wrong quantities at the wrong price, and shortages and distortions will develop. Everybody will be building dams when actually we need canned peaches."

Increasing centralised control does not, of course, automatically lead to the total withering-away of the private sector. "It is possible to have an economy which is both protected and directed, and yet have free enterprise survive," says Nedbank's Edward Osborn. "Government should aim for this.

"It does not have the knowhow and competence to take over every aspect of the economy. This is evident in the way government is approaching the private sector, particularly since 1980.

"A siege economy would be as free as now in some respects. However, government will be drawn into a greater involvement and interference with industry, if only to protect the BoP through imports. In extreme conditions government may have to impose strict import controls."

Fears are widespread in the business community. "Free enterprise is now more threatened than ever," says consultant Mike Perry. "Already the government has started exercising more control. Mines, for instance, are being told who they may or may not employ.

"When the sanctions screw is tightened and really starts to affect our ability to import, government will start allocating foreign exchange to business and dictating what it may be spent on.

"From that time on, bureaucracy rules. We will have civil servants dictating what sort of technology inputs we can bring in. We will see a lowering of standards in business, which will lead to increased inflation."

Free Market Foundation executive director Leon Louw argues that the correct approach would be precisely the opposite. "Government could neutralise sanctions just by reducing its foreign trade restrictions," he says. "If sanctions impose an additional 10% transaction cost on foreign trade, government could easily bring about an equiv-

alent reduction in trade barriers.

"Government should release the creative energies of the free market, which is likely to be much more imaginative in overcoming sanctions than the bureaucracy. Unfortunately, the knee-jerk reaction of government will be to try to control things. This would be insane, like shooting yourself in the foot."

It is little consolation that, as PFP leader Colin Eglin observes, free enterprise is a limited concept in SA in any case. Clearly, says Eglin, sanctions will weaken the private sector, make it less independent and increase the State's role in planning and regulating economic activities.

The question is, how far will the process go?

"My real fear is of ending up in a totally controlled Communist-type economy," says Econometrix chief economist Azar Jammine. "In the past decade, industrial and financial concentration has increased dramatically. The economy is far less versatile, and we don't have the spirit of entrepreneurship we once had.

"The private sector is a sitting duck for nationalisation — and this will be very tempting to a future black government."

Job Losses

Sanctions, it is widely said, will hurt the very people they aim to help — the blacks. This is borne out by projections by Johannesburg Consolidated Investment's group economics consultant, Dr Ronnie Bethlehem, who postulates that 2m jobs will be lost by the year 2000 as a result of sanctions. By then, he reckons, only 8m people will be in employment — barely more than the 7,7m now — whereas without sanctions the figure could be 10m.

"By far the greatest proportion of jobs lost would be in the unskilled category," says Bethlehem, "for, under sanctions, the total number of skilled jobs would actually increase as sanctions necessitate more capital-intensive production to maintain competitiveness and profitability in export markets."

In the short term, employment could rise under the impetus of import-replacement activity, and could even return to the long-run trend line. "However, after 1988-1989, as sanctions escalate, the benefits of this

adjustment would most likely exhaust themselves. The business sector, to sustain profitability and competitiveness, would have to be ruthless in retrenching surplus labour."

At least part of the cost of sanctions could be displaced to other countries in the region by, for example, repatriating migrant workers. Even so, it will not be possible to avoid increasing unemployment within SA.

The main beneficiaries of sanctions are likely to be technically and professionally qualified workers. The continuing brain drain would increase their scarcity and thus place a premium on their skills.

In addition, Bethlehem points out, these classes, because of accumulated savings, are best positioned to protect themselves against inflation, through hedged investments. "The increase in share prices since the sanctions crisis broke in June is a reminder that the processes of adjustment do not only concern the distribution of income," he says. "They also concern the distribution of wealth.

"Increases in share prices relative to fixed income securities and property redistribute wealth on a large scale from middle and lower income groups to the more privileged; there is little that the authorities can do to counteract it. It is an irony advocates of sanctions appear to have overlooked."

Rhodesian Analogy

Is Rhodesia relevant? Do its 15 years' survival in the face of economic sanctions have a message as SA sets off down the same path?

"I don't think it's terribly relevant," says Safto GM Ann Moore. "We have a different type of economy from Rhodesia in 1965. We have gone much further down the line in manufacturing industry, so continued industrialisation requires different things."

"Rhodesia could and did go quickly into simple forms of import substitution. Our needs are far more complex and sophisticated. We need more advanced technology and more capital." She notes, too, that Rhodesia had SA, not only as a conduit for imports and exports and a filter against the outside world, but as a major market.

"Each case is unique," agrees Edward Osborn, a former Secretary for Agriculture and Deputy Secretary to the Treasury in Rhodesia/Zimbabwe under Ian Smith and later Robert Mugabe. "SA will also be unique; so will resolution of the problem."

Osborn (now of Nedbank) is in a better position than most to know. His sources of information about Rhodesia are impeccable, and he has used them to produce an authoritative study of the Rhodesian sanctions era for stockbroker Ivor Jones, Roy. This has been followed by another impressive document for Ivor Jones, *SA Under Sanctions*.

Despite Osborn's conclusion that SA could survive sanctions for longer than Rhodesia, his advice is chilling.

"What comes out of the politics of the situation is that when you have a possibility of resolving the problem, grasp it with both hands," he says, remembering Ian Smith's lost opportunities at the talks on *HMS Fearless* and *HMS Tiger*. "The great danger is having the thing drag on."

"Sanctions do ultimately work, either in achieving some kind of political end result which may or may not have been the intention at the outset, or in extraordinary distortion of the whole economic structure. Rhodesian UDI went on for 15 years. One would hope the same thing will not happen to SA."

One should be in no doubt as to the severity of the impact of sanctions on the Rhodesian economy. They resulted in an immediate contraction of exports of tobacco, asbestos, chrome ore, copper, sugar and beef by more than half. This, together with the loss of the Zambian market for manufactures, cut 40% off merchandise exports.

Though total exports recovered steadily after 1966, they did not return to 1965 levels

until 1972. Then, after peaking in 1974, exports declined again and by 1980 were back to the 1965 level.

True, Rhodesia survived nearly 15 years, but at great cost. "Rhodesia was compelled to react to mandatory sanctions by imposing the severest forms of control on the economy, particularly import control, exchange control and fuel rationing," writes Osborn.

"Virtually all imports of luxury goods were eliminated, imports of vehicles on wheels substituted by completely knocked-down kits for local assembly, imports of food reduced to a minimum and priority given to raw materials for domestic manufacturing industry and capital goods."

"Even so, supplies were always critically short, but more severely so when allocations had to be cut back further to make way for imported fuels. By 1979, imported fuels represented 30% of total imports."

Rhodesia did, indeed, have some golden years of growth in the middle phase of UDI. Osborn identifies four distinct phases during the 15-year siege. During the first three-year adjustment, GDP growth averaged 3.9%. The next six years were a period of boom, when growth averaged 8.6%.

This came to an end in 1975-1978, when everything seemed to go wrong. Perhaps most critical was the world oil crisis, imposing an additional burden which the seemingly virile but delicately balanced economy could not sustain.

But it also coincided with escalating armed conflict and the withdrawal of Portugal from Mozambique, which ultimately placed unbearable strain on Rhodesian manpower and made it wholly dependent on SA. During this phase GDP declined by 3.4% annually.

Sometimes forgotten is that this dependence on SA eventually put Ian Smith at the mercy of PM John Vorster, who put the final nail in Smith's coffin when he withdrew support in exchange for a nebulous promise by Henry Kissinger that the US would adopt a softer stance towards SA.

Finally, from 1979-1981, when the transitional government was in power and resolution of the Rhodesian question was at hand, there was a recovery to an annual growth rate of 2.1%.

Official figures show that Ian Smith hand-

ed over an economy which was not bankrupt — if not exactly in blooming health. The balance sheet of the Reserve Bank of Zimbabwe-Rhodesia reflected gold and foreign reserves of \$139m in 1979, against a foreign loan liability of \$8m.

But was even this modest bank balance the truth? Says Osborn drily: "This can only be a spurious claim of national solvency at the eve of independence, for short-term foreign indebtedness and government's foreign liabilities must have been considerably more."

Rhodesia on the eve of UDI was a small but innately sound and diversified economy. Ten years as dominant partner in the Federation of Rhodesia and Nyasaland had given it a strong financial institutional structure.

It enjoyed low inflation, low interest rates and a stable money market. There was no monetary restraint on enterprise. In those respects, it was better placed than SA now. Another difference is that the imperial context of Rhodesia's UDI was completely different from that in which SA will battle sanctions in the next decade.

Here the issue is the transfer of power from white to black, an emotive issue which will not easily be abandoned by the outside world.

"The world has lost its innocence," says Osborn. "It has crossed the divide between sanctions and no sanctions. It imposed sanctions on Rhodesia with considerable thoroughness and on a prolonged basis. It did not tire — the Rhodesians did."

Blow to Morale

The sense of isolation from the real world sets up a severe morale problem among the more dynamic members of a society — the young, intelligent and highly skilled.

Banking, retailing and computer programming are among many sectors where techniques rank with the best in the world. In a siege economy, as the country is starved of technology and know-how, already depleted valuable human capital will lose ever more of its more mobile members.

"When you fall behind, a lot of more competitive people leave," says Mike Perry, MD of strategic management consultant Mike Perry & Associates. "They will probably never return if SA slips into permanent backwardness."

More mobile people also tend to be more liberal. This creates problems for, among others, the Progressive Federal Party. But of more concern to PFP leader Colin Eglin is that the reformist initiative will be lost.

"I think there will be a tendency to consolidate and rally round the government," he says. "Attention will be diverted from fundamental reform to how to live under sanctions. If you put those together, in the short term it will shift the centre of gravity of white voters towards the right and away from the concept

of reform."

Eglin concedes that these negatives may be offset to a degree by increased attention to import substitution and labour-intensive manufacturing, but in the medium term, as the economic situation deteriorates, socio-economic conditions for blacks will deteriorate, especially in urban areas.

In the long term, Eglin sees continued gradual deterioration of the infrastructure which will make it even harder to shake off the "legacy of apartheid." Vast reconstruction would be required, he argues, "and you will not be able to achieve that in a situation of economic repression."

In Eglin's view, two things have to be done: "To the extent that sanctions will have a negative impact on the reform process, one has to try to counter it. Sanctions are a direct consequence of the internal situation, and South Africans should not change moral course. The things that need to be done internally will also lead to reasonable relations with our Western partners."

"Secondly, if sanctions cause unemployment, one must replace those jobs in another way. The negative socio-economic impact must be minimised."

Eglin, however, has little hope that government is at all susceptible to his pleas. "Government seems not to know what to do, it is battenning down the hatches and trying to ride out the storm."

Eglin detects since early May a perceptible hardening of attitude in government towards fundamental restructuring of the political equation. This flowed from evidence of a white backlash, the breakdown of law and order in the black townships and misinterpretation of President P W Botha's statements on power sharing.

"His own reform process and the words he used — such as power sharing — raised expectations to a level he realised he had no intention of fulfilling," says Eglin.

Boycott Phases

Despite three or four decades of piecemeal sanctions of various kinds, SA has reached a clear watershed in its boycott history. It is only now, in the view of most observers, embarking on an era similar to the 15 years of Rhodesia's UDI.

An analysis by Johannesburg business strategy consultant Mike Perry identifies three phases in the sanctions life-cycle.

Phase 1, which he calls "The gathering storm," has begun. This is characterised by both severe threats and profitable opportunities. The initial shock of sanctions is felt during this phase, which will last, Perry estimates, 12-18 months.

The economy suffers a sharp once-off "terms of trade effect" as exporters have to pay middlemen and develop new markets, often on a price-penetration basis. Businesses invest in disguising and re-labelling products and using secret distribution channels either to retain existing markets or develop alternatives. This, of course, costs money — the "sanctions discount" which in Rhodesia was put at 10%-15%.

The shock, however, may be somewhat less severe than that experienced by Rhodesia during the same phase because of the greater diversity of the economy.

Import control is introduced, with an adverse effect on economic efficiency, and import substitution sparks a boom in local manufacturing.

Phase 2 is a period of rapid expansion, but it is, says Perry, a "misleading boom." The effectiveness of sanctions in the early part of

this phase declines, and export market and product diversification starts to pay dividends — but export profitability remains low because of the sanctions discount.

Import substitution, on the other hand, begins to pay off in terms of economic output and employment creation. In Rhodesia, this phase lasted six years; Perry believes it could be about the same here.

While this scenario is highly speculative, two political developments (elections in Britain and the US) during the next two years inject confidence into the projections. President Reagan's departure will almost certainly bring an end to any cushioning of sanctions policies in the US. And in the UK, if the Conservatives lose the next election, a tougher stance is certain. In any case, pressure for more sanctions is bound to continue both in the Commonwealth and in the EEC.

Towards the end of Phase 2, the impetus from import substitution begins to fail as projects become increasingly capital-intensive, foreign currency-intensive and hi-tech intensive.

Phase 3 is one of permanent deterioration. The sanctions net is widened, the foreign currency constraint tightens, domestic economic expansion fails to keep pace with population growth, and unemployment grows. The security threat begins to soak up more and more government spending.

"In this phase, sanctions' effectiveness shifts from the impact on exports to the impact on investment levels, on job generation, on technology, on the brain drain and on the renewal and replacement of obsolete equipment," Perry says.

"Government must make changes to make SA acceptable to the outside world. If we get into Phase 3, we won't recover."

As evidence for this, Perry points to Zimbabwe which, he says, is performing as though sanctions were still in force. "Businessmen are not much better off than during the sanctions era," he says.

His gloomy view is supported by Nedbank chief economist Edward Osborn. "In extremis, you create an uneconomic economy," he says. "After sanctions, it remains so for ever. There is no question of opening up the Zimbabwe economy to foreign competition. The whole panoply of protection Ian Smith put in place 20 years ago is still there."

Perry's analysis ties in neatly with the "sanctions threshold theory" of the SA Institute for International Affairs. This describes the thresholds for each progressive tightening of sanctions.

"In terms of this theory, there are three conditions for comprehensive sanctions," says research officer Bryan Bench. "Continued occupation of Namibia; continued destabilisation of neighbouring states; and domestic unrest and repression.

"We have seen differing attitudes develop towards sanctions by particular groups in the West. The US has gone furthest down the road because apartheid and the southern Africa issue have become an intrinsic part of the civil rights question in the US and as such are now a domestic political issue."

This is not the case in Europe, however. There is no great population movement pressuring for sanctions in Whitehall, Bonn and other capitals. Indeed, the sanctions question in Europe is marked by deep divisions.

Both Britain and Germany have a high dependence on strategic minerals from SA. Britain, in addition, has strong ties of history, culture and kinship — not to mention the fear that an estimated 800 000 people in SA with a claim to British citizenship may be forced to return.

Though the generally accepted figure of 600 000 may be an over-estimate, Portugal's expatriate community in SA is undoubtedly large. The problem for Portugal is uniquely sensitive. Not only do these people repatriate large sums of money to their homeland, they have the vote in Portugal.

Progress on sanctions in Europe has also been affected by the extreme nature of the measures approved by Congress. Had they been milder, a number of other nations could have taken a lead from them.

Bench does not believe Japan will meekly follow the US lead. "They operate differently," he says. "The pressures and lobbying on the Japanese government are qualitatively different."

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CSO: 3400/705

SOUTH AFRICA

SANLAM QUESTIONS 'SUSTAINABILITY' OF ECONOMIC UPTURN

MB150732 Johannesburg SAPA in English 0455 GMT 15 Dec 86

[Embargoed until 2200 GMT on 15 December 1986]

[Text] Johannesburg, 15 Dec (SAPA)--In spite of intensified sanctions, it seems that in recent months a perceptible improvement in sentiment has occurred with regard to South Africa's immediate growth prospects, says a statement issued by SANLAM [South African National Life Assurance Company]. It adds that if nothing unforeseen happens, it is expected that this revival could gain momentum next year.

Even so, according to Mr Johan Louw, SANLAM's chief economist, there are a few factors that place a question mark over the sustainability of the recovery--especially after 1987.

"Considering the increasing pressure on the country's balance of payments, it is clear that continued growth will have to be generated mainly internally. Consumption and, particularly capital expenditure, have a high import content, however, and the purchase or replacement of these goods at extremely high prices will exert even more pressure on the external accounts. Furthermore, the real salaries and wages of workers have dropped sharply over the past two years."

Mr Louw says with the prospect of a continued high inflation rate in 1987, he is not expecting an appreciable improvement in real remuneration levels next year either. This, together with high unemployment, low employment levels and large debt obligations, makes consumers unwilling to make use of credit on a large scale.

Mr Louw believes lower short-term interest rates--as was announced recently and tax relief for individuals are necessary to prevent economic growth from coming to a halt. "We consequently expect the next budget to be fairly stimulating, with inter alia markedly higher capital expenditure on projects related to the social infrastructure. Further, it is of the utmost importance that we lower our inflation rate, or we shall have to deal with renewed recessionary conditions before long," says Mr Louw.

He adds that it is clear that far-reaching changes are required in our economic structure and in the distribution/division of opportunities and income.

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CSO: 3400/679

HEAVY RAINS RAISE HOPE OF RECORD 1987 MAIZE CROP

Johannesburg BUSINESS DAY in English 17 Dec 86 p 1

[Article by Mick Collins]

[Text]

HEAVY rains throughout the summer grain-producing areas have raised hopes for a record 1987 crop.

Final estimates for the 1986 maize crop indicate an exportable surplus of 2.2-million tons.

However, a report published by Johannesburg analysts Kahn & Kahn cautions that the current favourable growing conditions must prevail throughout December, January and February to prevent a set-back.

"The critical months are the first two months of 1987 when hot weather is expected. It is vital that hot conditions be relieved by regular rainfall."

Farmers have also been urged to step up production of white maize for use in the production of maize meal as consumers continue to show a strong preference for the pure white product.

The report says the maize crop estimate for the past year stands at 7.7-million tons, of which 42.5% is white maize and 57.5% yellow maize.

"The total consumption of maize in SA is estimated at 5.5-million tons, depending on economic circumstances. All of the exportable surplus (2.2-million tons) is yellow maize."

The final estimate for the 1986 grain sorghum crop is 431 650 tons compared with 591 295 tons in 1985.

"The improved flexibility of the floor-price scheme administered by the Grain Sorghum Board has resulted in the entire crop being absorbed domestically.

"Even if crop had been as much as 900 000 tons there would have been no need to export, which is good from the

farmer's point of view due to the depressed state of world grain markets," the report says.

However, the report advises farmers to seek outlets through normal trade channels in 1987, which will offer higher prices than the established floor-price.

"When this becomes impossible, far-

mers should utilise the facilities of the board as a last resort."

It says certain changes are being investigated in the grading regulations for the coming season.

In the past year grain sorghum competed with maize and in the coming season it is hoped that sorghum can again be offered to the animal feed industry.

"The production of grain sorghum in certain areas is more economic than maize. Even in the disastrous growing season of 1983/84 the yield per hectare was 1.02 tons.

"There have been seasons when the average yield countrywide has been as high as 2.8 tons per hectare."

Initial fears that the Dry Bean Board would lose money because of the floor-price purchase of huge tonnages in 1985 and 1986 were dispelled early in October when world prices surged.

Failure of the US crop saw world prices appreciate dramatically, which allowed SA exporters to tender to the board for its entire stocks.

"These are now being exported. There is much to be said for the initiative and market awareness of private enterprise which was quick to capitalise on the misfortune of the US bean farmers to the benefit of the SA economy."

NEW PLATINUM MINE WILL BE COUNTRY'S THIRD LARGEST

Johannesburg BUSINESS DAY in English 15 Dec 86 pp 1, 2w

[Article by Adam Payne]

[Text]

NORTHAM PLATINUM will provide the JSE with its next major mining issue — at a total project cost of R559m.

Preparations for shaft-sinking are well advanced and major expenditure will start to be incurred by February, when a share issue is expected.

Gold Fields will do its own refining. This has been assumed in the calculation of an overall cost of R559m, in June-1986 money.

Gold Fields holds 78% of Northam, Consolidated Gold Fields has about 12% and the remaining 10% is held by a syndicate led by gold analyst and geologist Fred Collender, who has been involved in other platinum-area sales and launches in the past.

A rights issue has been made to these shareholders, and Gold Fields passed on some of its rights to members of staff last week.

Pre-sinking has been completed at both shafts. No 2 shaft, which will be a combined upcast and downcast shaft 9,15m in diameter, will start sinking towards the end of the first quarter of 1987.

It will have a steel headgear, which is being erected at present.

Sinking should start on No 1 shaft toward the end of the third quarter. It has a concrete headgear, which is being equipped at present, and will be the main downcast ventilation shaft.

All headgear work will take six months to complete.

Access to the site, which has clay soil (impassable in wet weather), has been assured by building a 9,5km all-weather road. Building of living quarters and housing is well on schedule.

Northam, unlike Rusplat and Impala, has no land in Bophuthatswana; it is all in the Transvaal, to the north of Rustenburg's Amandelbult section.

The property covers 10 300ha, with the shallowest ore level at 1 150m below surface, making it the deepest and hottest SA platinum mine.

Extensive drilling achieved 90 intersections of the Merensky and UG2 reefs. Only the Merensky reef will be mined initially.

It is estimated to contain 163-million tons of ore, grading 10,1g/t, of which 60% should be platinum, 25% palladium, 8% ruthenium, 3,2% gold, 3% rhodium, 1% iridium and 0,8% osmium.

Mining will be at a rate of 150 000 tons a month, making Northam SA's third largest platinum mine after Rustenburg and Impala, and ahead of Western Plats.

Output is projected at about 280 000oz of platinum a year (compared with Rustenburg's 1,3-million oz), 117 000oz of palladium, 37 000oz of ruthenium and 15 000oz of gold.

Proven reserves are down to a depth of 2 700m. Mining will be carried out from a depth of 1 150m.

Water is available.

Initial power will be available from a generating plant, and a permanent power supply from Escom is expected to be available in the second half of next year.

The mine is scheduled to start producing by the end of 1991 or early 1992. When fully operational two years later, about 5 100 people will be employed.

The planned sequence of operations is:

- Sinking of No 2 shaft to about 1 745m (No 10 level);
- Development of the upper levels of the mine from No 2 shaft concurrently with sinking No 1 shaft to 2 145m (bottom of shaft); and
- Deepening of No 2 shaft to 2 145m.

No 1 shaft will be the main hoisting shaft. No 2 shaft will hoist men, materials and rock, and provide upcast ventilation.

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CSO: 3400/692

BUSINESS LEADER DISCUSSES POLITICAL PHILOSOPHY

Cape Town LEADERSHIP in English Vol 5, 1986 No 6 pp 10, 12, 14

[Interview with Chairman of Old Mutual Jan van der Horst by Hugh Murray; date and place not given]

[Text]

Dr Jan van der Horst is unquestionably the eminence grise of South African business. As chairman of the Old Mutual, by far South Africa's most powerful financial institution, he exercises influence directly and indirectly over all sectors of the economy, not to mention SA's political life.

At 67, Van der Horst works tirelessly and ceaselessly keeping together all the ends of Old Mutual's vast network of interests. These interests include investments which have grown over three times in value during the past five years to R17 384m. During the past year, the Mutual's total premium and investment income amounted to no less than R3 542m.

A confidant of the country's political leaders, he has over the years earned a reputation as a moderating influence on Afrikaner Nationalist thinking. Those associated with him on the boards of such companies as Barlow Rand (in which the Old Mutual holds 35%), Nedbank (of which it has now taken control), Safmarine and the SA Permanent Building Society – to name but a few – are at pains to stress his benevolent role.

At Barlow Rand, for example, he is known as a brilliant financial analyst who looks after the Mutual's interests without falling into the trap of dictating industrial policy.

Van der Horst seldom gives interviews, and rarely discusses his political views, preferring a low profile and a relative veil of confidentiality. In this interview with Leadership publisher and editor Hugh Murray, Van der Horst talks frankly about some of the important matters with which he, and his organisation, are having to come to grips.

Murray: Could we examine the role in our society of a businessman like yourself, who heads up the country's most powerful institution? What is your role in relation to the community and the country at large?

Van der Horst: The first position any businessman must take is to see to it that his business is solvent. That is the base from which he must start. I agree with Peter Drucker who said that profit is not the object of business, not the purpose of business, but it is the test of the validity of business. I went into business at the end of 1942 and since then things have changed a lot. In the Forties, the question of whether you paid a man a fair salary, a salary that was market related, was never raised. You paid a man as well as you could afford to. Today it is one's second objective in a corporation to see that your staff are paid salaries that are adequate, and which meet not only the needs of their food, housing and clothing, but is also adequate in terms of what the market wants. This tendency is going to become more prevalent in South Africa as we attempt to help in advancing people in the business world, and as we experience a brain-drain. Having said this, it is extremely difficult to move people from Third World situations to positions in the First World part of our community. There are cultural gaps – learning gaps. In these areas business has to help and the Old Mutual gives priority to the

teaching field, the universities and organisations like the Urban Foundation.

I have been silent on political matters because I believe that businessmen can do their best to improve things in this country by doing efficiently their own job of work. That doesn't mean I don't hold a political view, but I also don't think businessmen should climb onto political platforms the whole time.

I find that approach interesting since many chief executives of affiliated and controlled companies make strong political statements and have established profiles of their own which may be quite high in terms of national politics. Is this not anomalous and in contradiction to corporate policy?

I don't necessarily think this is an anomaly. I think it indicates cultural differences between the institutions and the businesses in which it holds interests. We hold large investments in many companies, but I think our record is established that while we must, by our personal participation, influence those investments in the direction we think they should go, and we think is profitable, we essentially distance ourselves from the control situation. I have no problem with chief executives expressing what they genuinely believe because I know in that way they can make their biggest contribution. I do come from a school which places a priority on looking after the business and its profits. But in our multi-political position, one must allow the same freedom in business that one should have in religion. You can't prescribe. I cannot prescribe to any of my colleagues, here at Mutual headquarters or outside, what line they should take in politics. I don't think that is inconsistent with my personal preference for a low profile.

If I have something on my heart, I prefer to go and talk to a cabinet minister or whoever, in the same way that I will go and talk to one of my colleagues.

You are one of those people who has access to the State President and his colleagues. You clearly have influence on the quiet basis you talk about. But do you believe that quiet, low profile approach remains the most effective way generally of dealing with government?

I don't know what kind of influence I have. Obviously, I can't comment on that. But I remain convinced that face-to-face, man-to-man, one-on-one discussions mean you have a far better chance of convincing people that your point of view is correct, if indeed it is. Obviously this doesn't always work and it would be presumptuous of me to claim that. You don't always get your own way. But I reckon if you are right and effective 50% of the time, you are doing very well.

In the eyes of many people, financial institutions in this country are growing into monsters. On the other hand, many of those with whom the Mutual has major dealings remain convinced that your influence is benevolent, with a beneficent effect on the community at large. How do you regard those who claim that the monster scenario is more accurate?

The concept of being a good corporate citizen is a very broad one. One tries to improve things, the institution must try to improve things through attitudes and through helping other people. One of the answers we can have to our critics is to point to the work we are doing outside our operation and which improves society. Certainly insofar as the Old Mutual is concerned, we don't try to gobble up everything. We hope investments have been made which will create something better. Sometimes you have to operate a support system, sometimes companies lose their way. And while you don't go in for control you have a duty to bring them back onto the road again. Sometimes we like to have inputs into their decisions, but even with a big stake in a company like Barlows we haven't said we want to control the board. Mike Levett and I are on that board. But we are basically organisation men. Our job is to make money for our policy holders. It is as simple as that. I return to my view that the company's first responsibility is to stay solvent and to earn a return on capital.

In this connection, it is important to remember we do not have particular expertise or the management resources to manage other companies in other businesses, on any

large scale, and do not feel it would be appropriate or in the national interest to do so. We do, however, have proven expertise in channelling our funds into the areas of highest return, including those companies that are likely to achieve above average growth in the long term. This is not only clearly in the interests of our policyholders but materially assists in the best allocation of scarce resources to those areas in the economy where they can be most productively used. Here we have demonstrated that we have made and will continue to make a massive contribution of financing economic growth and job creation.

I don't think anyone would dispute that the Mutual sets a positive tone. But some years ago Donald Gordon of Liberty Life stated that very soon half a dozen or so companies would control the country. He opened a debate which has continued ever since. Now, with sanctions and disinvestment where there are vacuums to be filled and purchases to be made, some of them at fire sale prices, people are concerned that the institutions are going to move in and pick up as much as their liquidity will allow. Can this really be healthy?

Let's look at the other side of the question. What happens if we don't? I suppose we are going to have many instances of disinvestment with people moving off, leaving South Africa the poorer. We must realise we have entered a new phase of our economic life with sanctions. We will have to see what life is going to be like under sanctions. And yes, this certainly does have implications for the growth of the institutions. In this regard, I hope the government will also have a good look, for instance, at the work of the Competition Board. What we need now is big, strong institutions which can stand the bad weather and the storm that lies ahead. Our present approach to competition must become a little more flexible because we are talking here about our continued existence – survival. I don't know whether we have grasped that yet. This may lead to further concentration, but that may be the only way to survive.

I think we must be very careful in our assessment of life companies because these institutions are going to have to fulfil a different but even more important role. I think sanctions are going to be with us for a long time. If you have read the American legislation, I

am sure you also wonder how we are going to get that off our backs.

I don't think the institutions have ever had a greater responsibility than at the moment to do whatever they are asked, or whatever they are planning, in a responsible way. There has never been a greater need in South Africa for us. Presumably part of the criticism of the institutions is somehow based on a belief or expectation that they should be visibly and directly initiating, financing and managing job-creating projects in the national interest, and creating new small businesses with venture capital. Direct involvement of this nature does, of course, take place. In our case we have such examples at the Richards Bay Minerals Project (R4,5m) and our contribution to bodies such as the Small Business Development Corporation (R2,5m of equity capital). We have also made large investments in specifically black housing amounting in total to loans of R71m provided to the National Housing Commission, including R21m for a black housing project in Protea North (Soweto) and R16m for another black housing project in the Eastern Cape.

Both of these latter loans were arranged through the Urban Foundation. Furthermore, in the area of housing, we have total loans to the SA Permanent Building Society amounting to R258m (including R181m for our own staff mortgages).

Whether this is enough, I can't say. We will probably have to do more. The problem, of course, remains that my responsibility to policy holders – people of all persuasions and colours – is to invest their money on a market-related basis. So I come back to my first tenet, you must be solvent and make a return. But the institutions will almost certainly have to invest more money down that avenue. On this score, however, it is important that government also has a look at the matter of prescribed investments.

The whole question of prescribed investments distorts the interest rate pattern.

Could you elaborate?

If you invest a billion rand or more a year on a compulsory basis and the interest rate is set, then obviously that rate can't be the true level of interest. The contribution of individuals to pension funds and premiums paid on life policies and annuities, have formed by far the bulk of personal savings in this country for many years. By law a large percentage of these

funds (on average about 40%) have to be invested in public sector securities. Without these funds the enormous expansion of the economic infrastructure of South Africa over recent decades could not have taken place. Very large amounts have been provided to finance investments in electricity and water supply, the railways, roads and harbours, telecommunications, the iron and steel industry and so on. Old Mutual, for example, has at present on its books loans amounting to (at book value) R764m to Escom, R436m to Sats and R100m to Posts and Telecommunications.

Because of the negative real interest rates which have generally been paid on these stocks, and even more because they have consistently lost capital value because of rising interest rates and inflation, the returns on these compulsorily-held stocks have been extremely poor. To illustrate the magnitude of what is involved, we have calculated that in the case of Old Mutual alone, the cumulative losses on our prescribed asset portfolio amounted to R362m as at April 4, 1986.

This calculation only takes into account the losses on capital value by comparing book values with market values. The loss is, of course, really much greater than this because the opportunity cost has not been taken into account—for example, the superior returns that could have been earned on other assets in the absence of compulsion, or alternatively the higher returns that would have been available in prescribed assets were these returns not artificially held down. Even on this basis, however, the losses to the industry must total close on R1,5bn since Old Mutual can approximately be thought of as about one quarter of the industry. Another way of assessing losses to the industry is to calculate the income lost per year. Assuming that a small real interest rate was on average paid on such stocks, compared to the negative real rates actually paid, the losses in income per year are of the order of R500-600m.

We should have far greater flexibility and

should be able to perform better for the policy holder or the pension fund. There is a lot of goodwill in the institutions. We live in different times. And speaking broadly, I think the attitudes of the institutions are also changing.

But in this matter of prescribed investments, we need some change of heart from government.

Speaking of changing attitudes, does government really recognise the gravity of the general situation?

I certainly hope so. I think the State President realises it. I think government as a whole realises it. Sanctions has brought with it all kinds of realisations. But we have to accept we are in this trouble. Never mind how we got here, we are in it and we must live through it. That is important. What is critical at the moment, of course, is to get conversation going. In my view, the South African government has tried to start talking.

In what direction should we be talking?

I believe that if we can start talking and have a federal bias or direction to our talks we can work out a satisfactory solution. I recently saw Chief Buthelezi. We talked very openly. To my mind our future lies in that direction, because we are dealing with a Christian, we are dealing with a man who has Western habits, and who believes in certain Western things such as private enterprise, the business of ownership, and so on. Chief Buthelezi is the leader of a most important tribe. So much can be done there.

The Natal Indaba is a conversation. I have a beautiful essay on conversation which has been with me most of my life. In talking both parties change, and you can then really change things. I believe the Indaba is one of the most important conversations and can set a pattern.

But I don't think any of us does enough. Of course, we are not doing enough, but a lot of things have changed.

Was there any real difference between the November 7 meeting with PW Botha and the discussions at the Carlton Hotel and Good Hope Centre in earlier years?

There certainly was a difference. At the two previous meetings a few of us were asked whether we would say something. So it was people like Harry Oppenheimer, Mike Rosholt, Anton Rupert, Kerneels Human, myself and so on. You couldn't really address matters. This time we were divided into 10 groups. The ministers moved around and we

were able to tell some of them quite frankly where we thought they were going wrong. The 200 people went away with the feeling of having participated and having made a contribution. I have no doubt that government got the message. That message, from private enterprise, was: Hurry up!

Has the State President got the management in place to implement change properly? Is it not true that most people are worried about government's ability to manage?

I don't know whether we have got the people in place. I really don't.

Are we not heading to the point where PW Botha is going to look at a Reagan option and second people to his political executive. John Maree has been drafted on two occasions – to Armscor and Escom – with enormous success. But those were moves into parastatals.

I don't think President Botha needs any selling on the principle of using private sector people. One only has to look at the way he also used Wim de Villiers. It certainly is the President's style to draft people. But as far as political appointments are concerned, I think there could be problems. Mr Botha is more of a political head than Ronald Reagan. Perhaps what I mean is that our systems differ importantly. The President has had people sitting in the House of Assembly and the other houses, some of whom have been there for a long time. They are his political support system. This system really has problems with a man from outside. I would agree with you that there may be portfolios that could be depoliticised. What you call the Reagan option could then certainly have a place in this country.

But I also think that we business people – many of us – are somewhat naive when it comes to politics. You can't simply do things the way you can in business. Very few business people last in politics because you need to have special inclinations.

From a businessman, then: how should South Africa approach its problems?

Wolmaransstad is my home town. I never went to school there, but I was born there; my father was a pastor there; our family went there 84 years ago; my son farms there and in four generations there has always been a Van der Horst there. Three weeks ago I was made a freeman of the town and I had to address the local Sakekamer. I spoke to the people about the troubles the district has been through. In the Boer War the town was burned down – four houses were left standing. It was one of the centres of the rebellion of General de la Rey. There was the great 'flu epidemic. My father told me he walked solitarily in front of coffins every day. There was the mine strike in 1922. There was the Great Depression, the drought and then the most recent drought which has been going on for four years. Wolmaransstad is surviving it. I think the country can also survive its problems providing we have some purpose.

We need a people's programme to bring the people together. It has been my experience in business that if you can take people's attention away from their relatively petty squabbles and if you can give them targets, they forget about these problems. If you can get a business to work towards an objective, people actually stop blaming each other because they all start going in the same direction. They say: this is the plan, this is where we are going. That is what we want in South Africa. We want a programme to take the people along. But it must become more than a plan. We have a bad history on plans – particularly five year plans. These plans were put away in drawers and nobody looked at them. That is not the ideal. A plan is a living thing. We need a living programme for tomorrow. If we can get that, if we can get commitment to that, we can go places.

How can organisations like the Old Mutual promote growth and the creation of jobs?

The economy is not static and segmented, but dynamic and highly interdependent. It is a fallacy to see, on the one hand, a block of institutions with large cash flows and, on the other, an economy with low investment and lack of job opportunities, and then draw the conclusion that what is wrong is that this block of institutions is not putting its money in the "right" place and thereby contributing to a non-optimal economic performance. Capital in a free market economy naturally and correctly flows to the areas of highest return. If there is lack of willingness to invest in the new productive assets and in projects which create new jobs, then this is because borrowers perceive that the returns are not commensurate with the risk. It is the lack of willingness to

borrow for expansion that should be the problem addressed by policymakers, and not the lending policies of institutions.

What is the Old Mutual's role in this?

The Old Mutual is a microcosm of South Africa. Its main function is to give security to people. For that we have a huge sales force out there selling security. The Mutual is there to give people confidence. That is what we are working for. That is our job, and that is a very exciting one. What I am talking about, however, has wider implications for the country. What I am talking about is a programme to lift people's horizons, to show that there are better things ahead. I am not a sentimental guy, but we must give people a horizon.

There is such a lot of goodwill around, it must be marshalled in the right direction.

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BRIEFS

ITALY DONATES TO OPERATION HUNGER--The Italian Government has given about R470000 to Operation Hunger. The executive director of Operation Hunger, Mrs Ina Perlman, received the donation in Rome this week from the bank of the Italian Treasury, the Banca Nazionale del Lavoro. A Press statement released by BNL and Operation Hunger said the money was to help Operation Hunger "continue in alleviating the poor life situation" of many people in South Africa. The BNL said it had chosen to give funds to Operation Hunger because of its "private character and its peace and racial equality aims". At a Press conference in Rome this week Mrs. Perlman said the money would be used to sponsor 16 small agricultural projects each set on 3 ha. "Such aid will supply 32000 people, most of whom are children, with the necessary means of self-subsistence," she said. [Text][Johannesburg THE STAR in English 19 Dec 86 p 1][Article by Susan Fleming]/12828

STANDARD BANK ASSETS REDUCTION--London, 19 Dec (SAPA)--Standard Chartered Bank said in London today it had no immediate intention of reducing its holding in South Africa, but there was a possibility "that it might cut back its assets in the future." It currently holds 39 percent of the bank's assets in the republic, Spokesman Mr John Pank told SAPA: "There is a possibility in future that we might reduce to plus or minus 25 percent, but the time is not yet." He was responding to claims from the anti-apartheid group ELTSA [End Loans to South Africa] which had said it understood the bank was preparing to reduce its holdings. ELTSA said it had approached the bank and had been told that the political climate in South Africa was a factor in its decision-making process. Mr Pank firmly denied that any decision had been made, ELTSA is an offshoot of the anti-apartheid movement. It has concentrated its campaign against banks, and the pressure applied in Britain and in the United States is considered to have been a factor in the decision taken by Barclays Bank to sell out its South African interests. [Text][Johannesburg SAPA in English 1618 GMT 19 Dec 86 MB] /9274

NEW BUSINESSES ON INCREASE--By the end of October this year 24180 new businesses had been registered in South Africa--an increase of 3431 over the total for the whole of 1985, according to information released by Dun and Bradstreet. The total number of actively trading companies in South Africa at present is estimated at just more than 210000, with the total number of registered companies and close corporations estimated at 300000. According to Dun and Bradstreet close corporations continue to be highly favoured as a vehicle for launching new businesses: 19790 had been recorded up to the end of October this year compared with a total of 15911 for the whole of 1985. The breakdown of trading companies is: public--4800; private--170000; close corporations--36369. [Text][Johannesburg THE SUNDAY STAR (Finance) in English 14 Dec 86 p 5]/12828

INDUSTRIAL RESEARCH REFLECTS CHANGING ROLE OF BUSINESS

Johannesburg BUSINESS DAY in English 19 Nov 86 p 15

[Article by David Furlonger]

[Text]

INDUSTRIAL research has traditionally come in four stages, says AECI group R & D manager Frank Fisher. These are business support, extension and development, and finally new science.

The first role, to support existing business, has limited basic needs, including laboratories, libraries, computer centres, and good research facilities.

"In this regard, AECI's Modderfontein plant has catalysts, water treatment and other research all linked to existing projects," says Fisher.

Stage two, extension of existing business, is needed "just to move with the times". Additional facilities needed here may include a patent section, with lawyers to protect a company's new products.

Stage three, development of new business, is where the game starts to become expensive.

In addition to yet more laboratory facilities and teams of synthetic organic chemists, it's time to start building pilot plant in order to get process design information and practical experience of bringing the new business to the market.

Having done that, it's time for full-scale plant and production.

The final stage, development of new science, is one that industry has generally steered clear of.

"Traditionally it was the Council for Scientific and Industrial Research (CSIR) and academics at universities who did this. Or you might rely on overseas contacts," says Fisher.

Now, with the changing role of the CSIR and its new hand-in-hand relationship with industry, these traditional roles are slowly changing.

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"The situation is changing in that the CSIR and others are being encouraged to move into development. That's good for industry and for SA.

"Industry, meanwhile, will be moving away from the support and extension categories of research into development of new products.

"Our thrust at AECI will be towards new business opportunities for the company. One that comes to mind is synthetic fuels and

related technology — for instance catalysts."

While AECI continues to ponder the future of its synfuel project, research goes on.

While refusing to give details of that research, Fisher says: "We have a fully operational pilot plant. We will see improvements in technology by the time the full plant goes up."

Other areas where AECI researchers are busy — and again Fisher talks in general terms — include agricultural chemicals, explosives and food additives.

He says SA has an abundance of renewable resources that can be processed into new chemicals.

"We must exploit renewable resources so this technology can be exploited in Third World countries, where these resources exist. We are unique in SA in that we have Third World raw materials but First World expertise, scientific knowledge and academic institutions already in place."

Fisher says many SA researchers are investigating the unique properties of natural products, then synthesising them.

"People will find certain properties, take out the molecule and synthesise it."

CHEMICAL INDUSTRY SURVEY

Chemical Production Up

Johannesburg BUSINESS DAY in English 31 Oct 86 p 20

[Text] **PRODUCTION** of industrial chemicals is improving slowly but still lags behind the levels of previous years.

On the basis of 1980 volume production being equal to 100, production in July this year — the last month for which official figures are available — was 90. This was a slight improvement on June's 89,5 and the 87,5 of July 1985, but well down on production six years ago.

Seasonally adjusted, the July 1986 figure translates to 87,5, down from June's 90,2 but still better than the 84,9 of July 1985.

Figures from Stellenbosch University's Bureau for Economic Research (BER) show that in the broader sphere of chemicals and chemical products, volume production in the second quarter of 1986 was 99,1 — a sharp rise on the first quarter level of 92.

On the same basis of 1980 being equal to 100, employment in these industries stood at 94,9 at the end of the second quarter. However, companies said there was a sharp fall in

employment levels during the third quarter.

After the first quarter of 1986, the industry was working at only 80,7% of potential, well below full production capacity levels. The BER found only 27% of companies in this field were working at full capacity during the third quarter.

Wage increases in the chemicals and chemical products sector continue to fall behind inflation. The average pay increase between March 1985 and March this year was 14%.

Biggest increases were in the Cape, where the average was 16%. Transvaal employers gave 14,25% and Natal 13,5%.

The national average hourly rate at the end of March was R3,06. The Cape was the best payer — at R3,18 — followed by the Transvaal's R3,05 and Natal's R3,03.

Chemplast Import-Substitution Program

Johannesburg BUSINESS DAY in English 31 Oct 86 p 20

[Text] THE fluorocarbon division (PTFE) of Chemplast Marc Etter attributes 50% of its real growth to making products locally which had been supplied previously from overseas sources.

Chemplast has placed a major emphasis on convincing users of PTFE components that processing-technology and equipment is available locally to produce virtually anything made currently by the company's overseas counterparts.

It claims to produce at its factory in Elandsfontein mouldings as large and as complex as anywhere in the world.

It has machining facilities capable of providing a finished component to the same high standard as those obtained overseas.

Chemplast has embarked on an import-substitution programme to provide time-saving, reduced inventories, and elimination of import duties and freight charges incurred on the importation of finished components.

It also claims to provide the local user with an identical product at a significantly cheaper price.

Chemplast's success rate has been such that many of its customers with overseas affiliates are buying the company's com-

ponents for export to their associate companies overseas.

The development and sales management team of Chemplast Marc Etter are confident that the potential for future development in this area is so great that they have adopted a policy of examining the viability of local production for any product which can be allied to their current activities, in either material or market areas — as long as it uses equipment or expertise available within the company.

Industries in which significant inroads have been made in this regard are electronic components, telecommunications, laboratory equipment and packaging.

Cementation Chemicals' Sales Up

Johannesburg BUSINESS DAY in English 31 Oct 86 p 20

[Text]

CEMENTATION Chemicals has achieved a 50% increase in turnover this year in industrial chemical sales.

Divisional director Des Louw attributes this partly to regular large contracts awarded to the company.

He says: "We have a long-term contract to supply the total requirements of disinfectants, detergents, electrical cleaners, cleaning solvents, de-greasers, deodorisers and sanitisers to a major mining house."

A division of Cementation (Africa Contracts), the company has been trading for 20 years, starting with its well-known electrical cleaner FO 128 — specified in Escom, Sasol and some mining contracts.

Louw says: "Our product range consists of more than 100 tried and tested chemical products used by a wide range of mining and industrial companies."

The company also specialises in formulating products for customers' specific requirements.

Louw says: "For example, we were approached by a major canning manufacturer which had picked up a resistant type of fungus in the cleaning tanks.

"We formulated a product which has a biocidal efficiency as well as detergent properties, and achieved a 99% kill count in five minutes.

"This product, Biocide, is now being used by all the company's local plants and is being exported to the UK."

Cementation Chemicals also formulated Soldet, a solvent detergent for general cleaning purposes specifically for the canning manufacturers' plants.

Another recent formulation by the company is FO 446, a floor-cleaner and emulsifiable de-greaser, which is successfully being used in many municipal bus shelters, manufacturing premises and in mines.

Optimistic Outlook For Chemical Industry

Johannesburg BUSINESS DAY in English 31 Oct 86 p 20

[Text] THE industrial chemicals industry could have predicted six months ago that the economy and industry were heading for a recovery, says Chris Orpen, head of Sentrachem's chemicals and plastics divisions.

Orpen says chemical manufacturers know traditionally which way industry is heading.

"Industrial chemicals go into everything, so we're pretty early in the manufacturing chain. If industry picks up, we know about it early.

"You can get a picture up to six months before the statistics tell you the economy is picking up. In the first six months of this year, consumption has been much better than we anticipated. We could see an increase as early as February/March."

Evidence of this is that in the first six months of this year Sentrachem sales of industrial chemicals rose 12% in volume terms compared to the corresponding 1985 period.

The company's 1986 annual report says of the industrial chemicals division: "Demand for our broad range of organic and inorganic chemicals has been very strong. New production records are continually being set.

"Market development efforts over a wide front, including speciality chemicals, activated carbon, ion exchange resins and water treatment products in general, have produced excellent results."

The report predicts these high levels of demand will continue during the 1986-87 year.

Orpen says most Sentrachem plants are working at close to capacity. Where local demand is limited, production is bolstered by export orders.

"We still have surplus capacity and are exporting a lot. Most plants are working at full-bore and we have a couple working full-out even without exports."

Industrial chemicals are, in Orpen's words, "the lubricant of industry". As

such, they find their way into most areas of mining and manufacture — and the household.

Sentrachem is a major producer of the alcohol in cane spirit, vodka and gin. This is one area, however, where demand has slackened recently as township violence has reduced consumption.

Derivatives from this alcohol include paint solvents, printing inks, resins and mining chemicals.

Other areas where Sentrachem is heavily involved include ion exchange resins for water purification and activated carbon for gold recovery and speciality chemicals for a wide range of industries.

Management will shortly decide whether to go ahead with construction of a R100m chlor-alkali plant at Chloorkop.

Says Orpen: "We are producing 30 000 tons of chlorine a year and buy in additional quantities to supply our share of the market. The new plant will result in closure of two old plants, replace purchased end-product and provide for future growth."

Despite the tight conditions of recent years, Orpen believes chemical manufacturers have weathered the recession well.

"The big boys have survived the last few years well, although some small producers have had a hard time."

He points out, however, that industrial chemicals manufacture is not an area that encourages people to rush in.

Hoechst Contributions Noted

Johannesburg BUSINESS DAY in English 31 Oct 86 p 20

[Text]

THROUGH its German parent, Hoechst (SA) has access to much of the latest technology from Europe.

Since commissioning its polyvinyl acetate (PVA) plant in 1957, the company has been a familiar presence in the industrial chemicals field.

This move towards local manufacture continued later, with production of high-purity phosphoric acids at SA's only such plant at Chamdor, near Krugersdorp.

Bulk process chemicals, both locally manufactured and imported, are sup-

plied for most industrial processes by Hoechst's industrial chemicals division.

The textile, leather, oil and mining industries use many of the company's surfactants and auxiliaries. The resins and pigments division supplies the paint, adhesive and printing ink industries from its Durban resins plant.

The dyes division, which recently began production of custom-blended shades at Hoechst's Mobeni plant, near Durban, is a major supplier to the clothing and fashion industries.

Sasol Export Drive Viewed

Johannesburg BUSINESS DAY in English 31 Oct 86 p 21

[Text]

A MAJOR export drive enabled Sasol to increase chemical sales by 19% during the 1986 financial year to a record R473m.

Exports rose 40% to R140m, to make up nearly one-third of total sales.

Sasol, with its coal-based technology, has exported chemicals since 1954, when it sold tar acids. Two years later it began exporting high-melting-point paraffin waxes, still the mainstay of its export business.

The company is presently expanding production to meet growing international demand for hard waxes. A sixth fixed-bed Fischer-Tropsch reactor being built at Sasol 1 will increase production of speciality waxes by 30%. However, it faces growing competition on export markets from such products as polyethylene, other waxes and microcrystalline waxes derived from crude oil.

Sasol's oxidised waxes compete with natural waxes like carnauba — from palm tree leaves — and waxes from East German lignite.

Sasolchem MD Andre Bedeker says the advent of Sasol 2 and 3 has boosted export volumes over several years and enabled the company to enter international markets with other products like acetone and MEK (methyl ethyl ketone). Acetone is used overseas as feedstock in the manufacture of methyl methacrylate, which is then polymerised to form perspex. The weak rand has helped make these exports more competitive.

Sasolchem's main product — in terms of both volume and turnover — is ethylene. The chief building-block of the petrochemical industry, it is used mainly in production of polyethylenes, PVC and chlorocarbons like aerosol propellants and dry cleaning solvent.

Another product group, tar acids, includes creosote. Coal tar is used to impregnate cellulose fibre pipes.

Demand For Sulphuric Acid Rising

Johannesburg BUSINESS DAY in English 31 Oct 86 p 21

[Text]

IF you want to see how the economy is doing, look at sales of sulphuric acid, says AECl director Mike Lancaster.

It is a vital ingredient in industrial activity, itself an indicator of growth, Lancaster says.

"The economy can be gauged by sulphuric acid sales. It's been quiet but now it's picking up a little. The market has been very unexciting in the last few years, but this year there is some rise in demand."

Chemical production at AECl Explosives & Chemicals is concerned chiefly with primary chemicals and derivatives which go to make up the "block" chemicals that find their way into industry.

Industries that have shown most increased demand for AECl products in recent years include primary ex-

porters such as pulp and paper producers, who have made a determined assault on foreign markets.

"Base metals have also done well over the last couple of years but that's moderating now," says Lancaster.

Two areas causing AECl slight headaches at the moment are ammonia and resins.

Plant problems are making it difficult to keep up with demand for ammonia, and there are plans to build a new resins plant at Modderfontein.

Lancaster is cagey on the question of imports and exports, although he admits the high cost of production locally makes it uneconomic to achieve major export orders.

"When we do export, it's at a slight profit. Most exports are to our neighbours, but some go further."

Several key raw materials must be

imported and Lancaster is confident supplies will continue — in part because there is world over-supply and also because AECl is a respected customer.

There is optimism, too, in AECl's Chlor-Alkali division. Director Malcolm Weir says There are plans to expand production at the Coalplex plant to keep up with demand.

"In this division, we're talking chlorine and caustic soda, also dry-cleaning solvents and hydrochloric acid. Business is doing very well in terms of demand. Local caustic soda production, in fact, is insufficient for local demand and 15 000t-20 000t will be imported this year.

"We need to upgrade the Coalplex plant and I expect that to be sanctioned by the end of the year," says Weir.

Engineers' Shortage Seen As Threat

Johannesburg BUSINESS DAY in English 31 Oct 86 p 21

[Text]

ANY decision to press ahead with new synthetic fuel projects could be crippled by a shortage of chemical engineers.

SA Institute of Chemical Engineers president Andre Engelbrecht says the professional brain-drain has left SA dangerously short of engineers.

Many of the immigrants who came to SA during the chemical industry boom of the Sixties and Seventies are returning home.

Local graduates, emerging from universities with degrees accepted internationally, are increasingly taking their qualifications overseas.

Other engineers, deterred by the lack of new investment in the 1980s, have moved into other industries such as mining.

Engelbrecht says: "If there is any upturn in growth, or if any of the synfuel projects come to pass, we could have a serious shortage.

"It would absorb chemical engineers like a sponge."

Engelbrecht says overseas recruitment of engineers has almost dried up.

Universities, which once produced only 50 graduates a year, are now churning out 150, but he believes "it may have reached its peak and is going down again".

The SA chemicals industry is developing few of its own technologies.

He says: "If technology is commercially available, it is quicker and cheaper to buy from overseas.

"SA's economic needs for chemical products parallel those overseas, and usually lags behind.

"So technologies we need to develop our products with are already there."

Local research

Most local research is related to synthetic fuels.

The Council for Scientific and Industrial Research (CSIR), AECl, Sasol and several universities are all seeking new catalysts for synfuel, while work is also being done on gas synthesis and fermentation.

Other major research areas include mineral processing and beneficiation, water purification, and spontaneous combustion of discarded coal.

Where there is research, it is related to specific needs.

Because of the close contact between industry and universities, research becomes a problem-solving process.

Engelbrecht says: "Industry has ideas and tells the universities what it needs. 'It's a question of 'Here's the problem, and here's my cheque-book'. 'Research has become concerned more about solving individual problems than with basic research.

"The universities themselves think this and that there is more scope for basic research."

There is also the problem of income.

Industry can pay its researchers more than universities, and so tends to get many of the best people.

Once again, they are employed to solve particular problems.

Engelbrecht says: "There is a lack of quality people to do research.

"There is a shortage of chemical engineers in the country, and universities are competing with industry for them. Industry has more money and so gets the best people."

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CSO: 3400/709

MOSSEL BAY PROJECT PROGRESSES

Johannesburg SUNDAY TIMES (BUSINESS) in English 2 Nov 86 p 9

[Article by David Southey]

[Text]

THE growing threat of tighter sanctions appears to be the Government's chief reason for going ahead with the multi-billion-rand Mossel Bay gas project.

In spite of indications that oil is likely to remain cheap for some time to come, conceptual engineering work for the project is going according to plan.

The contract for the offshore work has been signed in Cape Town between Moss-gas, a wholly owned subsidiary of the Central Energy Fund (CEF) and the Cape-based Engineering Management Services (EMS).

Secret

This phase of the project is expected to be completed in March next year. Physical implementation is expected to start at the beginning of 1988.

CEF director of projects Bob St Leger says each phase of the project will be assessed at completion and the results analysed before a decision is made on whether to go ahead with the next. This implies that the Government would then at least have the option of ditching or delaying work should circumstances demand.

CEF (Pty) has acquired land near Mossel Bay — although at what price remains a secret.

Mr Leger tells Business Times: "In terms of the feasibility study things are looking good. The conceptual work now involves firming up the ideas presented, determining costs more precisely, discussing and ironing out technical problems, drawing up basic designs for the project and determining the method of execution."

Mr St Leger says the Gov-

ernment is determined to maximise South African content of the project, which will give a significant boost to the heavy-engineering and construction industries. Wherever possible, imported components will be financed by supplier credits.

Confident

Mr St Leger says the project is likely to be completed in spite of projected falls of \$5 a barrel or more in world oil prices.

"A study of oil over the long term shows that if the price stays low for long enough, more and more users will convert to oil and vice versa if the price rises over a long period."

Mr St Leger is confident that the gas reserves off Mossel Bay will last long enough to maintain the project.

"We are very comfortable with the known reserves," he says.

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CSO: 3400/708

ARMORED SECURITY VEHICLE DESCRIBED

Johannesburg THE CITIZEN in English 10 Nov 86 p 4

[Text] **DURBAN.** — The Durban City Corporation has placed an order for an armoured security vehicle, costing about R200 000, to rescue staff trapped at municipal installations in townships at times of unrest.

This was confirmed yesterday by Durban's mayor, Mr Stan Lange, who emphasised that it would be used solely for rescue purposes and in no ways as an offensive vehicle.

Sold commercially by a company which produces military vehicles for the South African Defence Force, it is claimed it could withstand landmine blasts and ammunition up to 7,62 mm bore.

"It is not a Casspir, it is not a bus. It is an Ingwe, the Zulu word for a crocodile, and is designed to bring staff out of a

troubled area if they are cut off and trapped," Mr Lange said in an interview.

It was important that staff were protected, or they may be reluctant to work in such areas, he said.

Mr Lange said the vehicle, which was expected to be delivered sometime next year, would be painted white and would be clearly distinguishable from police vehicles.

But he could not confirm a Sunday newspaper report that Durban's Ingwe would be fitted with teargas for defensive use, fire blankets, large fire extinguishers, gas masks, emergency lighting, spotlights, first aid equipment, winches, an axe and various tools.

"I don't know about all that," he said. — Sapa.

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CSO: 3400/708

DOMESTICALLY BUILT REFLUX VALVE DESCRIBED

Johannesburg THE CITIZEN in English 13 Oct 86 p 21

[Text]

A TWO-METRE diameter tilting disc type reflux valve the largest non-return valve ever made in South Africa, has been manufactured by Ainsworth Engineering (Pty) Ltd, of Denver, for the Drakensberg Pump Storage Scheme.

The valve, which has a 100 percent local content, will be installed in the second pipeline at the inlet to the Kilburn Dam, the lower reservoir of the storage scheme.

The valve weighs eight tons which, because of the tilting disc design, is less than half the weight of a conventional non-return valve, with a similar price reduction. With fully-machined stainless steel seats in the body and

on the disc, the valve proved to be absolutely drop-tight during hydraulic tests to a pressure of 1 500 kPa. The valve was designed for a maximum working pressure of 1 000 kPa.

The disc shafts are made of high-tensile stainless steel and run on bronze bearings. The two drop-weights are fully-adjustable to permit variation of the closing characteristics of the valve.

A number of similar valves, in smaller sizes, have been manufactured by Ainsworth Engineering over the past 15 years and all are still in successful operation. These valves offer one of the lowest head loss coefficients of any reflux valve.

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BRIEFS

NEW ARMORED VEHICLES--High-level protection for use in riot or unrest areas where conventional transport would not stand a chance of survival, is provided by the recently commercialised Casspir Armoured Personnel Carrier. Prime markets are considered in mining, industry and among security companies. The vehicle, previously supplied only to the police and SA Defence Force, certainly has a menacing look with its pneumatically operated steel roof, flood lights, search lights and siren. Other multi-purpose control command vehicles such as the surveillance truck sold by Avitronics are already on the market. The latter can take photographs of people at night up to a kilometre away, with a specialised video camera which works on a periscope-like mast. The Ingwe from Sandock-Austral, is an armoured security vehicle used mainly on the mines but it could be used as a landmine-resistant school. It has a four-wheel drive, six-cylinder turbo powered diesel engine, and is used for carrying bullion, as an ambulance, for security or even mine rescue work. Sandock-Austral is also planning a Boerebakkie with a landmine-resistant cab on a four-wheel drive. [Text][Johannesburg BUSINESS DAY in English 3 Nov 86 p 10]/12828

PLAN TO HARNESS TECHNOLOGY UNVEILED--State-funded bodies are to co-operate with private enterprise in assessing South Africa's industrial technology needs. The Council for Scientific and Industrial Research (CSIR) yesterday announced details of a process of technology transfer whereby new technology, mostly from overseas, is adapted to local needs. To oversee the process, the CSIR-controlled SA Inventions Development Corporation (Saidcor) will be privatised. Control will be shared between the CSIR, the Industrial Development Corporation (IDC) and private enterprise, which will provide capital of between R50m and R100m. CSIR president Chris Garbers warned, however, that SA was having problems in securing foreign technology because of anti-SA sentiment and reduced scientific co-operation with other companies. SA carried out only 0.3% of the world's research and development effort. Technology transfer needs would be assessed by a system of "technology auditing". Experts would examine a company's or an industry's technology requirements and see what was available in-house, locally, or overseas. Technology would then be taken and adapted to those requirements. [Text][Johannesburg BUSINESS DAY in English 29 Oct 86 p 1]/12828

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